

**Federal Home Loan Bank of Topeka**

**Affordable Housing Advisory Council**

**2009 Annual Report**

Federal Housing Finance Agency  
1625 Eye Street NW  
Washington, D.C. 20006

To: Charles Mclean, Federal Housing Finance Agency (FHFA)

The Affordable Housing Advisory Council ("AHAC") of the Federal Home Loan Bank of Topeka ("Bank") is pleased to present this annual report detailing the Bank's affordable housing and community investment activities during 2009.

The AHAC represents a cross-section of community housing advocates who network with non-profit organizations, social service providers and state and local agencies to meet affordable housing needs in the Tenth District, which includes Colorado, Kansas, Nebraska and Oklahoma. The AHAC appreciates the opportunity to share its experience and insight with the Bank and its board of directors and in helping to address the critical affordable housing needs found throughout the district.

Highlights of the Bank's efforts in 2009 include the following:

- The Bank committed \$4.7 million in Affordable Housing Program ("AHP") subsidies not including homeownership set-aside program funds, leveraging more than \$117 million in private and public sector funds to support financing for housing units for low- and moderate-income families and individuals.
- Approved financing for low- and moderate-income housing units and community development projects using more than \$722 million in approved Community Investment Cash Advance ("CICA") funds in 2009.
- \$1.7 million in Rural First-time Homebuyer Program ("RFHP") set-aside program funds were provided to assist 428 first-time homebuyers in rural areas.
- In 2009, The Joint Opportunities for Building Success ("JOBS") economic development charitable grant program bestowed \$1 million in funding for 40 economic development activities primarily in rural areas throughout the district.
- Bank rural initiatives promoted homeownership through continuation of the set-aside of AHP funds for the Homeownership Set-aside Program (HSP) providing down payment assistance for disabled first-time homebuyers and for first-time home buyers in rural areas.

These highlights reflect not only mandated activities related to the AHP and CICA programs but also initiatives in response to unmet credit and finance needs.

This report would not be complete without recognizing our member financial institutions that have participated in one or more of the Bank's housing and community development programs.

By investing time, energy and financial support, these institutions demonstrate long-term commitment to their communities by meeting housing and economic development needs.

The AHAC also would like to acknowledge and thank the Bank's board of directors, particularly the members of the housing and community development committee of the board, senior management and Bank staff for their commitment, assistance and attention in carrying out these programs. The AHAC enjoys an excellent relationship with the board, senior management and Bank staff. As a result, we feel confident that we've helped ensure continued benefits to communities in the Tenth District that are willing to address their affordable housing and economic development needs.

Respectfully submitted,

2009 Members of the Bank's Affordable Housing Advisory Council

Roger Nadrchal, Chair  
Bill Major, Vice Chair  
Vicky Dayton  
Andrew Bias  
Michael Reis  
Dena Sherrill

Becky Christoffersen  
Dennis Lauver  
David Herlinger  
Timothy O'Connor  
Joe Rowan

Federal Home Loan Bank of Topeka  
Affordable Housing Advisory Council

2009 Annual Report

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## I. Introduction/Overview

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”) required the 12 Federal Home Loan Banks (“FHLBanks”) to establish special programs to enhance their role in promoting community investment and affordable housing within their districts. The FHLBanks’ community investment and affordable housing programs provide financial institutions that are FHLBank member’s sources of financing for community oriented lending targeted to low- and moderate-income households in their communities.

The Affordable Housing Advisory Councils (“AHAC”) assist the FHLBanks in addressing low- and moderate-income housing needs within their respective districts. FIRREA included the following provisions related to the establishment and duties of the AHAC:

*(11) AHAC - Each Bank shall appoint an AHAC of 7 to 15 persons drawn from community and non-profit organizations actively involved in providing or promoting low- and moderate-income housing in its district. The AHAC shall meet with representatives of the board of directors of the Bank quarterly to advise the Bank on low- and moderate-income housing programs and needs in the district and on the utilization of the advances for these purposes. Each AHAC established under this paragraph shall submit to the Board at least annually its analysis of the low-income housing activity of the Bank by which it is appointed.*

This Annual Report (“report”) constitutes the FHLBank Topeka’s (“Bank”) AHAC’s analysis of the housing and community investment programs of the Bank. This report includes a review of the Affordable Housing Program (“AHP”), Community Investment Cash Advance Programs (“CICA”), Community Support Requirements (“CSR”) and other housing and community development activities of the Bank.

The result of the Bank’s AHP and CICA show that the special housing programs of the Bank have made a significant contribution to the housing needs within the Tenth District. Since its inception, the AHP has provided over \$145 million in subsidy to 836 projects with total development costs of more than \$2.7 billion, primarily within the Bank’s four-state district. These projects have resulted in more than 43,000 new or rehabilitated units being made available to low-income households. More than \$5.5 billion in CICA advances have been approved for housing and community development projects since the program began in late 1989.

The Bank’s AHP and CICA have demonstrated that financing for affordable housing can be successfully implemented through a combination of sources of funding and partnerships among local financial institutions, community based housing organizations and private builders, developers and housing suppliers. The continued success of the housing and development programs of the Bank depends upon maintaining the program’s emphasis on local control and flexibility in responding to local housing needs.

## II. Bank Initiatives

### Rural Initiatives

In 1997, Bank management, in consultation with the AHAC and the board of directors developed a program to set aside AHP funds for a program to provide down payment assistance to first-time homebuyers in rural areas. The program began with a total set-aside of \$250,000 in AHP funds. In later years and continuing through 2009, the amount of AHP funds set aside for the Homeownership Set-aside Program ("HSP") was set at the greater of \$1.7 million or 20 percent of the annual AHP allocation.

The need for improved access to homeownership education and counseling in rural areas became evident to the Bank while administering the mandatory homebuyer education requirement of the HSP. The AHAC, board of directors and Bank staff formed a task force in 1997 to develop recommendations for improving the availability and effectiveness of homeownership counseling in rural areas. As a result, the Bank has allocated \$100,000 annually each year to support homeownership counseling providers in each district state.

## III. Affordable Housing Program

### A. Applications Received

**Table I: Affordable Housing Program - 2009 Applications Submitted**

<b>Subsidy Requested:</b>	<b>\$15,309,1249</b>
<b>Applications:</b>	
Colorado	17
Kansas	28
Nebraska	12
Oklahoma	7
Out-of-District	4
<b>Total</b>	<b>68</b>
<b>Units Requested:</b>	
Owner-occupied	825
Renter-occupied	2493
<b>Total</b>	<b>3318</b>

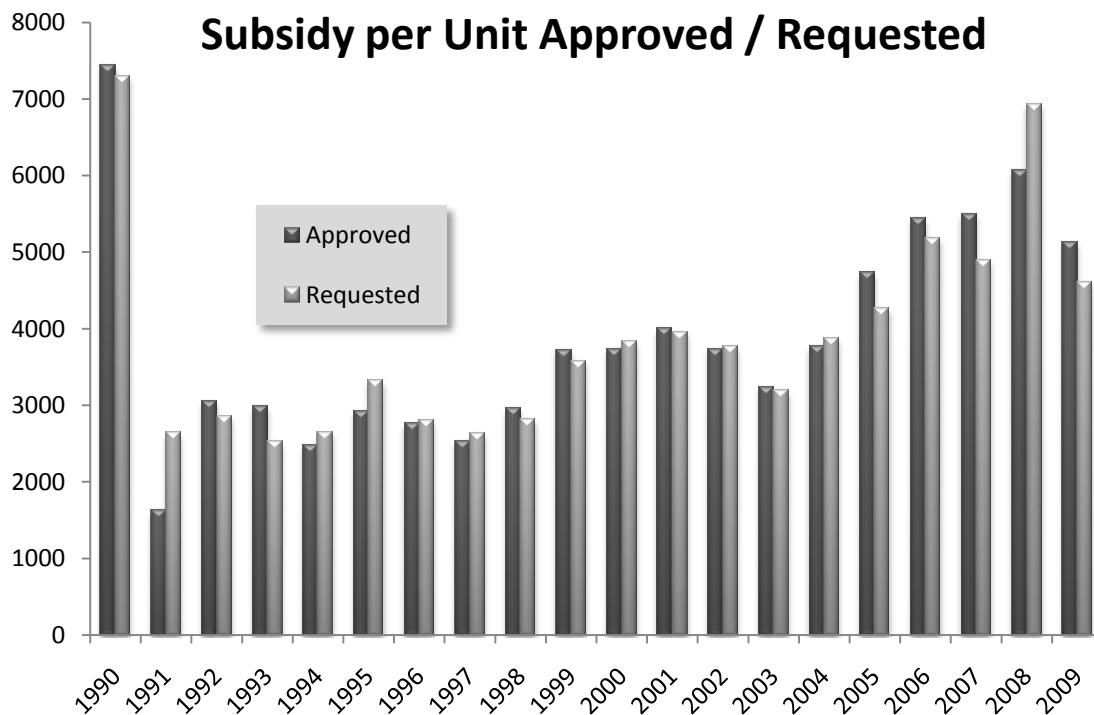
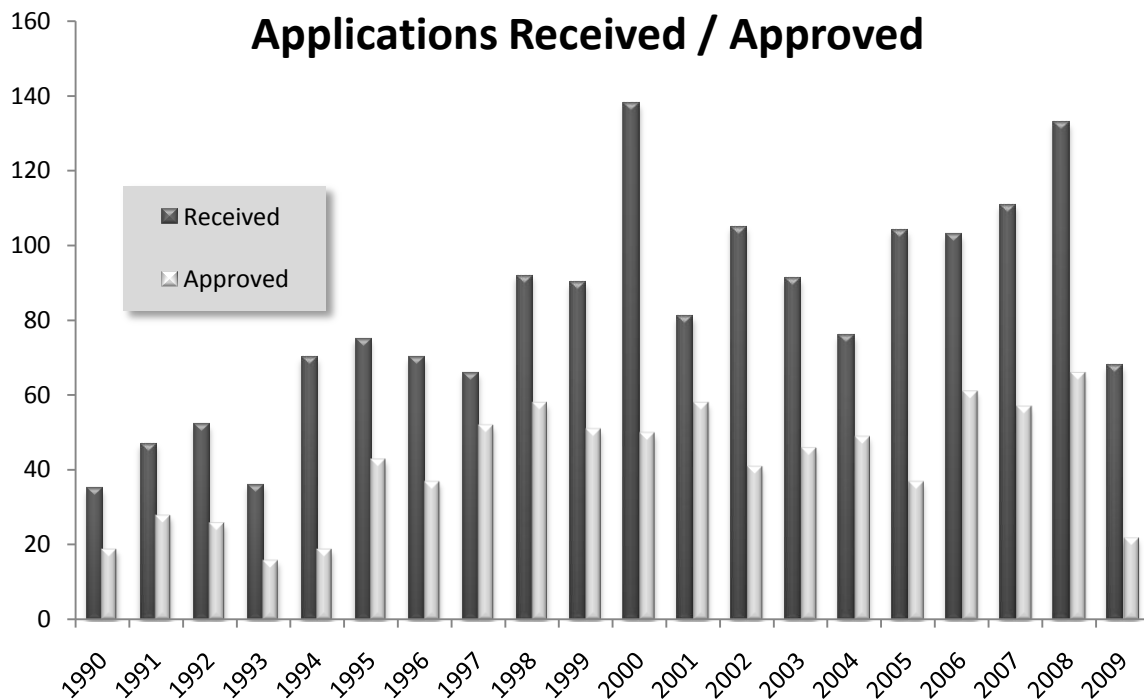
The table on the following three pages compares the characteristics of applications submitted for AHP funding in 2009 with applications received in the period of 1990 through 2009.

## **B. Approved Applications**

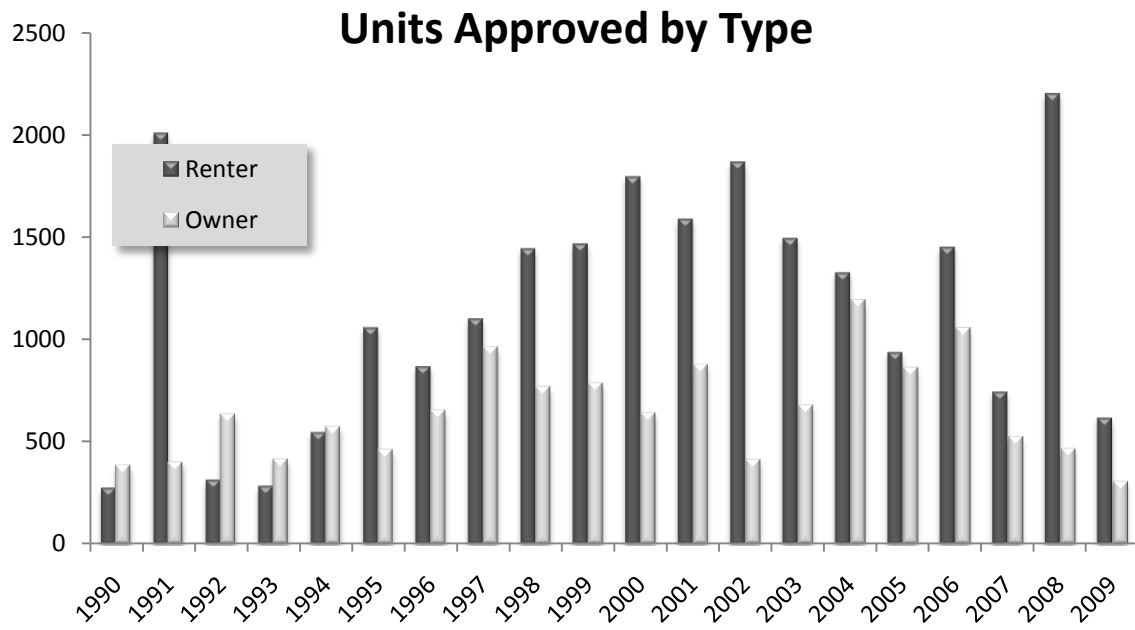
**Table III: Affordable Housing Program 2009 Approved Projects**

<b>Subsidies approved:</b>	<b>\$4,715,923</b>
<b>Applications approved:</b>	
Colorado	5
Kansas	10
Nebraska	4
Oklahoma	3
Out-of-District	0
Total	22
<b>Housing Units approved:</b>	
Owner occupied	923
Renter occupied	618
Total	1541
<b>Low-income information:</b>	
Very Low-income units	869
Very low-income units percentage	56.4
Subsidy per unit	\$5,120
<b>Project cost:</b>	
Total (millions)	\$122.3
Per unit cost	\$76,364
Leverage	\$24.87

### C. AHP 1990 – 2009





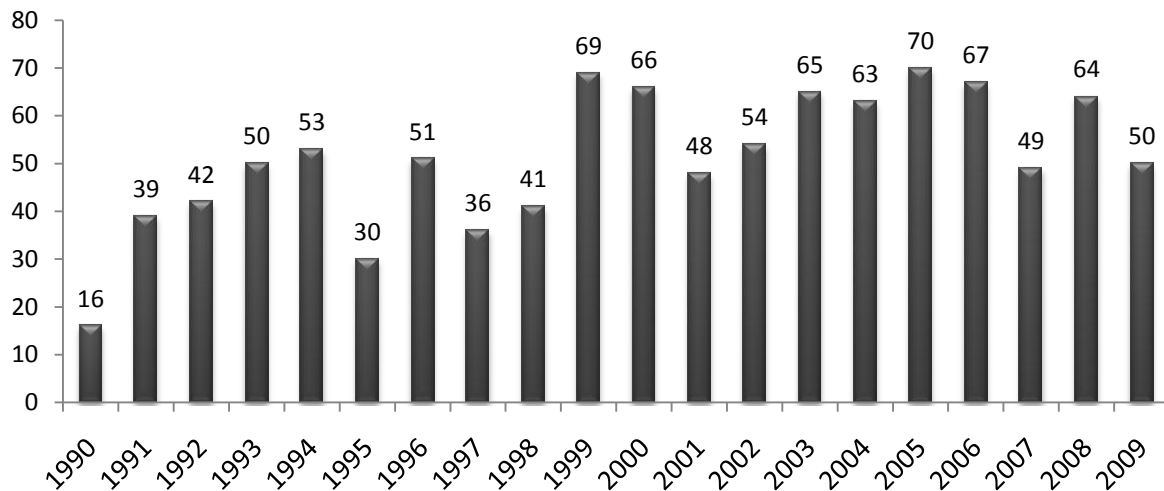


## Rural Projects

Most of the Bank's member institutions operate in non-metropolitan areas. These members had neither an office nor a branch located within one of the 20 designated Metropolitan Statistical Areas (MSAs) in the district's four states.

	<b>Rural Applications Approved</b>	<b>Total Approved Applications</b>	<b>Percent Rural</b>
<b>1990</b>	3	19	16%
<b>1991</b>	11	28	39
<b>1992</b>	11	26	42
<b>1993</b>	8	16	50
<b>1994</b>	10	19	53
<b>1995</b>	13	43	30
<b>1996</b>	19	37	51
<b>1997</b>	19	52	36
<b>1998</b>	24	58	41
<b>1999</b>	35	51	69
<b>2000</b>	33	50	66
<b>2001</b>	28	58	48
<b>2002</b>	22	41	54
<b>2003</b>	30	46	65
<b>2004</b>	31	49	63
<b>2005</b>	26	37	70
<b>2006</b>	41	61	67
<b>2007</b>	28	57	49
<b>2008</b>	42	66	64
<b>2009</b>	11	22	50
<b>Total</b>	445	836	53%

## Percent of Applications - Rural



Given the significant number of rural members it is important that the Bank's AHP is structured and administered in such a way that rural communities have a fair chance to participate in the program. The AHAC has addressed this situation by structuring priority to give preference to projects located in rural communities. The results of the program seem to indicate a meaningful success rate for rural projects in recent years.

### IV. AHAC Activities

The Bank first solicited AHAC nominations in December 1991 from member institutions and nonprofit housing organizations in Colorado, Kansas, Nebraska and Oklahoma. Appointments to the AHAC for the Tenth District were first approved by the Bank's board of directors in 1992. Two members were appointed from each state to ensure equal representation from all areas of the district. In 1993, AHAC membership was expanded to 12 persons, three organizations represented from each state in the district. The following persons served as members as of the end of 2009 (members are now appointed to three-year terms on a staggered basis):

<b>Colorado</b>		
David Herlinger Farnham Group Resources Denver, Colorado	Joe Rowan Funding Partners Fort Collins, Colorado	Michael Reis Longmont Housing Authority Longmont, CO
<b>Kansas</b>		
Vicky Dayton Housing Opportunities, Inc. Great Bend, Kansas	Dennis Lauver Salina Area Chamber of Commerce Salina, KS	Andrew Bias Mennonite Housing Wichita, KS
<b>Nebraska</b>		
Roger Nadrchal NeighborWorks Northeast Nebraska Norfolk, Nebraska	Becky Christoffersen Midwest Housing Equity Group Omaha, Nebraska	<i>vacant</i>
<b>Oklahoma</b>		
Bill Major Vintage Housing Tulsa, Oklahoma	Dena Sherrill Rural Enterprises Inc. Durant, Oklahoma	Timothy O'Connor Catholic Charities for the Archdiocese of Oklahoma City Oklahoma City, OK

The AHAC meets on a quarterly basis throughout the year. In 2009, the AHAC met in March, June, October and December. The AHAC also met with the board's Housing and Governance Committee ("HGC") quarterly in 2009. Members of senior management attend both of these meetings. Copies of the minutes for each meeting of the AHAC, including the joint meeting with the HGC, are attached (Appendix A).

The roles and duties of the AHAC are determined by the language included in FIRREA. Those duties can be broken down into four areas:

- 1) Meet quarterly with representatives of the Bank's board of directors;
- 2) Advise the Bank on district low- and moderate-income housing programs and needs;
- 3) Advise the Bank on the utilization of Bank's programs; and
- 4) Submit an annual analysis regarding the Bank's affordable housing efforts to the FHFA.

A description of the other issues discussed and actions of the AHAC can be found in the minutes of each of the four quarterly meetings included in Appendix A.

## **10<sup>th</sup> District Housing Needs**

The housing needs included in this section of the report are taken from sources applicable to each state in the Bank's district.

### **Colorado**

The Colorado Blue Ribbon Panel on Housing issued its Final Report in March 2006. The report's recommendations were grouped into five areas: partnerships, data collection, access to housing services, funding solutions and public policy.

**Strategic Partnerships** – Pursue greater collaboration between housing organizations and economic development corporations.

**Data Collection and Delivery** – Ensure that housing needs assessments are complete and up-to-date throughout Colorado. Promote a common format for housing needs assessments to facilitate regional comparisons and to lessen the cost of updating assessments. Create a task force to facilitate the completion and planning of needs assessments. Maximize public access to needs assessment and other housing data.

**Improving Access to Services** – The Division of Housing should work with other large housing agencies to create common application and reporting. Coordinate “211” services. Establish a one stop shop for easy access to housing development information and for streamlining the housing development and grant application process.

**Financing Housing Needs** – The Colorado General Assembly should restore housing development grant funds to 2002 levels of \$4.6 million. Provide new permanent and reliable funding sources for the acquisition, production, and preservation of affordable housing. Ensure that housing funds are used to effectively to leverage funds from a wide array of local governments, nonprofits, and for-profit organizations. Pursue funding through a HUD Economic Development Initiative (EDI) grant.

**Policy Development** – Broaden policies that facilitate the preservation of existing affordable units. Monitor and evaluate how federal, state, and local regulations and incentives affect the cost of production of housing. Pursue foreclosure mitigation efforts.

The reports cited the following challenges identified as a result of roundtable meetings held throughout the state of Colorado.

*The growth of low-wage service sector jobs is substantial in our communities and drives the need for more affordable housing near employment centers.*

*In many areas, the scarcity of land and the growth of second-home development drive up the cost of housing to levels unattainable to the local workforce.*

*Lack of workforce housing is often a strain on the infrastructure.*

*There is a need for a reliable central clearinghouse for housing financial and funding data.*

*Small communities lack knowledge and resources to apply for grants and assemble projects.*

*The cost of producing housing continues to go up through increased fees and development costs.*

*The cost of single-family homes continues grow at a faster rate than wages.  
The impending retirement of baby boomers will be a lasting housing challenge.*

*Populations at 50% area median income (AMI) and below are the most underserved by existing housing resources.*

*Growth in middle- to high-wage jobs drives increases in lower wage jobs such as food service and retail. Retail follows roof tops.*

## **Kansas**

The 2004-2009 Kansas Consolidated Plan includes the following observations concerning housing need ion the state.

There has been strong growth historically in the more urbanized areas with some softening since 2002. Most of the growth has been in single family detached housing which has resulted in a relative high homeownership rate but weakness in the area of affordable rental housing. The small number of multi-family units in rural areas exacerbates the need for rentals. Because developments with larger number of units need more maintenance, and because demand in rural areas will not support high rents, it may be difficult to rent and adequately maintain single family detached rental units in rural areas.

A need for rental housing in rural areas was expressed during the public input phase of the plan's development. Low rents and aging housing stock create difficulties for operating rental housing in those areas but the shortage can negatively impact affordability.

Overall vacancy rates have been increasing indicating a softening of the housing market.

Housing in Kansas especially in rural areas is affordable compared other dates in the region except for Oklahoma.

According to a survey of housing authorities waiting lists are longest for two-bedroom rental units.

The preservation of existing affordable housing for lower income renters is a concern as there are a relatively large number of units reaching the end of the mandated affordability periods. There are mitigating factors lessening the level of concern related to loss of these units. Many of the units have passed initial expiration dates and have entered into new one to five year contract continuing the affordability restrictions. Opting out of the programs even for those projects that have extended the affordability periods is not likely in most areas. Market conditions in most rural areas make opting out economically unattractive as rents in these areas have increased much in recent years. During recent state of Kansas program administration only 3 percent of the units opted out of the affordability restrictions.

Certain types of households are at greater risk of not being able to find affordable housing. Minority or mixed race households, households with children especially those headed by female headed households and large households of five or more persons.

## **Nebraska**

The Nebraska 2005-2009 Consolidated Plan includes the following list of housing needs identified by the six development districts across the state.

Housing needs:

Renter and owner rehab:

- Special populations

  - Elderly housing (elderly rentals/independent living)

  - Developmentally disabled housing

  - Mental health housing;

- Removal of blighted housing;

- Homeownership-down payment assistance;

- New construction of affordable owner occupied units;

- Homeownership lead based paint abatement assistance;

- Rental units for large families; and

- Additional affordable rental units

Barriers to the provision of local affordable housing:

- Lack of capacity and understanding of housing programs;

- Lack of grant writers for small communities;

- Too hard to qualify (LMI versus blight); and

- Insufficient DED staff.

Strategies to overcome barriers and address needs:

Forge stronger partnerships with local communities and development districts, including coordination of the department of economic development, NIFA and USDA Rural Development;  
Facilitate development of regional housing plans; and  
Preservation of appropriate housing stock to create housing opportunities.

Objective for the provision of affordable housing:

Increase local and regional capacity so more communities can take advantage of programs;  
Enhance communication through outreach and heightened awareness of programs; and  
Explore other resources to more fully leverage available planning funds.

## **Oklahoma**

The State of Oklahoma Consolidated Plan for 2004 – 2009 includes the following observations concerning housing needs in Oklahoma.

Year after year, Oklahoma ranks at or near the top in affordable housing. Oklahoma City and Tulsa traditionally are two of the least expensive housing markets among 75 major metro areas. And as a percent of total income, housing and rental costs in these two cities were the lowest in the nation. This low housing cost burden is not just within the metro areas of the state but filters out, even more so, into the rural areas.

Newly created jobs however, continue to be located in rural communities that have little to no vacant, decent, safe, sanitary, and affordable housing units. As a result, long distance commuting to employment centers is rapidly becoming common place.

Three readily apparent negative impacts result for the lack of affordable housing units in rural areas:

Employers experience large scale, rapid turnover of their workforces due to costly and time consuming commuting which impairs their ability to stabilize and expand production;

Employment centers are often unable to realize the full benefit of their own economic expansion because they do not house workforces locally. Since workers do not live in their place of employment, sales taxes, ad valorem taxes and other revenues do not remain with the cities where actual job growth has occurred; and

Local efforts to recruit new business and industry are impaired because of the lack of affordable housing units, which would otherwise assure employers of their ability to place workforces in close proximity to their base of operations.

The development of new affordable housing rural area has been limited over the last ten to fifteen years except for homes priced above \$90,000. In 2002, permits for 2,439 new housing



were issued for all but the three largest counties in the state. Permits for 7,661 housing units were issued in Tulsa, Oklahoma and Cleveland counties during the same period.

There is a demand for new housing units in rural Oklahoma due to economic expansion that is not being met due to the impact of lower wages in rural areas, fewer builders and difficulties with appraisals of property in rural areas.

Oklahoma's experience with the institutional structure delivering affordable housing resources, products, and services reveals gaps that include:

Rural local private debt capital sources that often severely limit their participation in low-income housing activities;

Resources to address rural housing infrastructure development are too often limited to tradition lenders using tradition and often, cost prohibitive financing approaches;

Public intervention products that target only low-income persons when, in some cases, even those t 100% of the area Median Family Income (MFI) may need some form of assistance, especially in the area of homeownership; and

Local capacities, in terms of blending and coordinating the use of affordable housing resources, are limited due to a lack of understanding regarding the purpose of various public intervention resources.

## **V. Community Investment Cash Advance Programs ("CICA")**

The Bank first established the CICA (known then as the Community Investment Program) in compliance with FIRREA's requirements in November 1989. The CICA policy adopted by the Bank has the following features:

1. CICA funds may be used to:
  - A. Finance home purchases, refinance or rehabilitation by households whose income does not exceed 115 percent of the median income for the area; and
  - B. Finance commercial and economic development that benefits low- and moderate-income families or activities that are located in low- or moderate-income neighborhoods.
2. CICA advances to member financial institutions are priced at the cost of Bank obligations of comparable maturities plus an allowance for administrative costs.
3. CICA advances are available in terms ranging from four months to 30 years.
4. CICA funds are available through advances to member financial institutions in accordance with the Bank's most recent Credit Policy guidelines.
5. CICA advances are a continuously available source of funds. Applications are accepted anytime for project or plan approval and funding.

<b>CICA Projects 1990 - 2009</b>				
<b>Year</b>	<b>Approvals</b>	<b>Amount (in millions)</b>	<b>Housing Units</b>	<b>Community Development</b>
<b>1990</b>	7	132	2,640	
<b>1991</b>	6	92	1,840	
<b>1992</b>	11	77	3,048	
<b>1993</b>	33	109	3,543	3
<b>1994</b>	25	229	6,571	1
<b>1995</b>	25	132	2,990	3
<b>1996</b>	19	44	745	5
<b>1997</b>	31	84	1,556	19
<b>1998</b>	27	33	822	25
<b>1999</b>	33	38	877	31
<b>2000</b>	55	272	4,305	34
<b>2001</b>	65	147	876	45
<b>2002</b>	100	160	1,343	65
<b>2003</b>	242	409	3,004	201
<b>2004</b>	196	492	6,356	144
<b>2005</b>	229	464	4,736	172
<b>2006</b>	180	411	3,780	126
<b>2007</b>	194	768	6,117	136
<b>2008</b>	261	695	5,513	178
<b>2009</b>	219	722	6,901	160
<b>Total</b>	<b>1,958</b>	<b>\$5,510</b>	<b>67,563</b>	<b>1,348</b>

A copy of the 2009 year end CICA applications approved report is included as Appendix D.

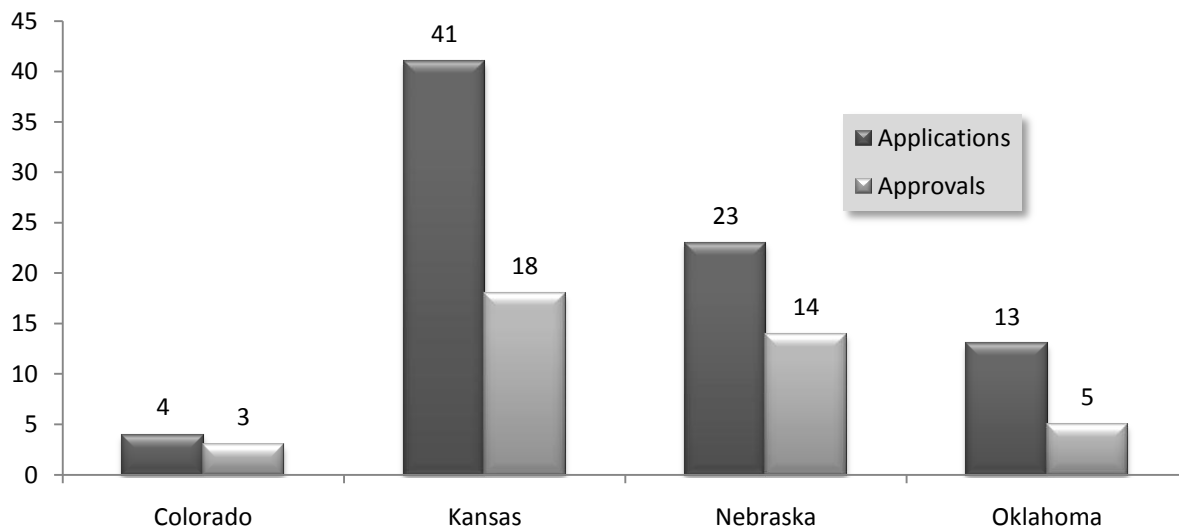
## **VI. Joint Opportunities for Building Success ("JOBS")**

Eighty one (81) applications were received in the 2009 Joint Opportunities for Building Success ("JOBS") program requesting a total of \$1,985,000 of JOBS funds. (The 2009 budget was \$1,000,000 of JOBS funds available for allocation.) Fifty nine of the 81 requests are for projects located in rural communities. Applications received by state are shown in the graph below.

Applications received requested JOBS funds to assist in creating 1,679 jobs and retaining 3,019 others for a total employment impact of 4,698 jobs. Slightly more than \$87.3 million of other funding sources are being combined with the requested JOBS funds for a total investment of \$89,325,264. Thus, the average cost per job created/retained is \$19,013.47 and the ratio of other sources to JOBS funds requested is 44 to 1. These ratios are similar to ones noted in the past.

Fifty (50) applications were recommended for funding in the 2009 JOBS program for a total of \$1,000,000 of JOBS funds. Twenty-nine of the 50 recommended applications are for projects located in rural communities. Applications recommended by state are shown in the graph below.

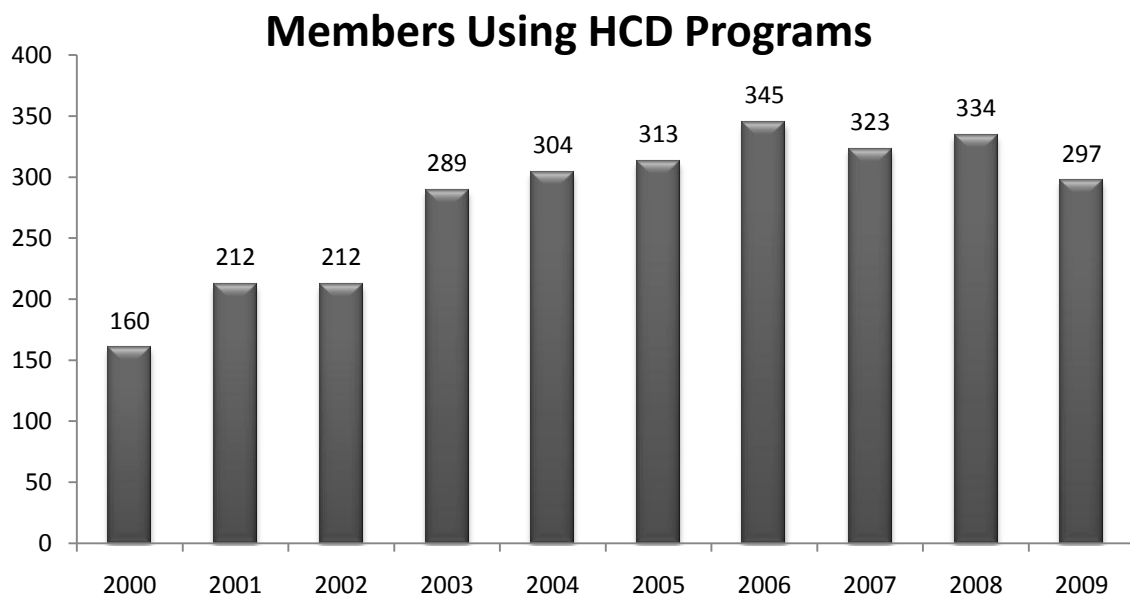
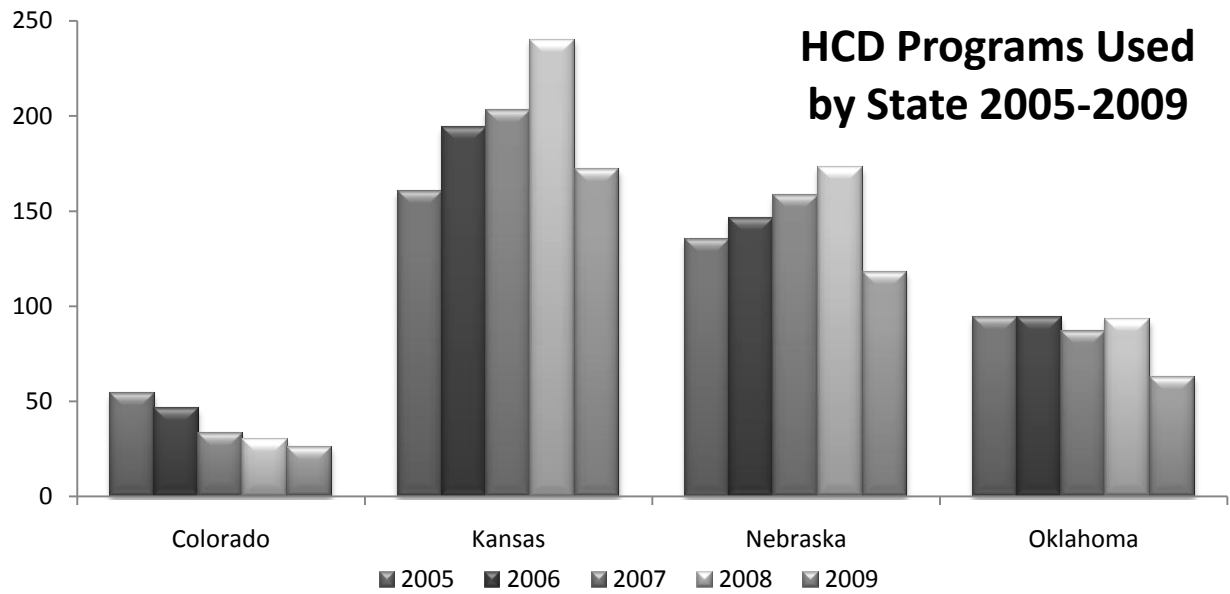
### 2009 JOBS Applications/Approvals by State



The applications recommended provide JOBS funds to assist in creating 1,679 jobs and retaining 3,019 others for a total employment impact of 4,698. Slightly more than \$87.3 million of other funding sources are being combined with the requested JOBS funds for a total investment of \$89,325,264. The average cost per job created/retained for the requested projects is \$19,013. The ratio of other sources to JOBS funds requested is 44 to 1. JOBS funding per job impacted is \$213.

### VII. HCD Program Participation

The success of the Bank's housing and community development programs is dependent on our member's usage of the available products and services. The charts provided in this section illustrate the levels of participation in the various HCD programs offered by the Bank over the past four years. The level of participation has been one of the primary strategic performance goals for the Bank during the last two years. These programs have experienced steady growth over the past few years.



## **VIII. Community Support Requirements**

This section of the AHAC's report provides a review of the Community Support activities. Other than the first section dealing with Community Support Statements, this description incorporates much of the same information discussed for the various Bank programs but follows the format suggested for the Community Support Program. The Community Support Program required by the regulation to be adopted by each Bank is described in the following section.

### **Community Support Statements**

Section 1290.2 of the Community Support Regulations describes the process for documenting member institutions records of community support. The regulations require each member to submit a "Community Support Statement" in a format supplied by the FHFA on a schedule established by the FHFA. The FHFA expects that member institutions will have to submit a Statement every two years.

Each quarter the FHFA selects the member institutions required to submit statements in that quarter. It has been the FHFA's policy to select members for review based upon those with the oldest CRA exams conducted under the revised CRA guidelines established by FIRREA. Those institutions that were examined under the new public disclosure system first were selected for submission of Community Support Statements first. Only members with exams undertaken using the revised guidelines are selected for review. It is expected that all members will have been reviewed under these guidelines prior to the end of the first eight quarterly community support reviews. In 1994, the second eight quarter cycle of Community Support Statements was initiated. In addition to those institutions submitting for the second time, commercial bank members approved for membership more than a year previously were added to the list of stockholders required to submit.

The Community Support Statement review by the FHFA relies heavily on each institution's CRA rating. Additional information concerning institutions' efforts to assist first-time homebuyers is also requested. Members with CRA Ratings of "Needs to Improve" or "Substantial Noncompliance" are likely to be required to submit a "Community Support Action Plan" responding to the shortcomings described in the member's CRA public disclosure.

### **Community Support Program**

The Federal Home Loan Bank of Topeka's Community Support Program was approved by the FHFB in 1993. As part of the Bank's Community Support Program Bank staff has assisted members from throughout the district in preparing their Community Support Statement materials and have responded to numerous questions from member institutions. Members most frequently ask for assistance with policies and credit practices regarding first-time homebuyers.

The Bank's housing and community development staff continues to refer stockholders to local, regional, and national conferences and have identified and referred them to funding sources, individuals and organizations who are able to provide them with information related to their housing and community investment needs.

The Bank was a sponsor/presenter at housing conferences and workshops in 2009. These events provided many opportunities for our stockholders and other housing and community development organizations. Those who attended met housing providers from both the public and private sectors, gained new information, skills and access to technical assistance. Some of the conferences sponsored included: Camp Colorado 2009, Kansas Housing Conference, and Housing Colorado!

Bank staff has continued to provide technical assistance to members regarding the AHP and the CICA program throughout the past year. These efforts have included:

- 1) AHP/CIP/CHP/CDP program presentations;
- 2) On-site assistance to members and outside groups;
- 3) Bank member publications to all members; and
- 4) Announcements of approved projects and application deadlines.

Bank staff continues to provide technical assistance to members needing assistance in preparing and submitting AHP and CICA applications. Educating stockholders and community housing organizations about the use of these programs remains a high priority. In 2009, member assistance packets and brochures were updated and distributed. The Bank regularly makes follow-up calls to see if members have any questions about Community Support requirements, housing and community development programs, technical assistance, etc. We also highlighted affordable housing projects assisted by our members in a number of our regular member publications throughout the year.

The Bank's current four-state housing-related individuals and organizations list contains more than 1,300 records. This listing is used to notify community groups of quarterly CSR notices and is used by staff to refer members to groups in their communities interested in housing and community investment.

## **IX. Conclusion**

FIRREA mandated a significant additional commitment on the part of FHLBanks toward housing for low- and moderate-income households. Since the passage of FIRREA in August of 1989, the Bank has met the requirements of FIRREA by: 1) establishing an AHAC which has met with representatives of the board of directors each quarter thereafter; 2) establishing CICA programs; and 3) establishing and funding an AHP including set-aside programs for rural and disabled first-time homebuyers.

In conclusion, the AHP has been implemented in the Tenth District on a timely basis and has successfully responded to housing needs in Colorado, Kansas, Nebraska and Oklahoma. The continued improvement of the Bank's housing programs is a primary goal of the Bank. The AHAC notes that the future success of the program will depend upon the ability of the Bank to administer the program in a flexible manner within reasonable standards that assures appropriate use of the funds. The single most important factor affecting the future success of the AHP will be the program's ability to quickly respond to housing needs within the district. The continued Bank-level administration of the housing and community development programs is crucial in continuing our past level of success.

The AHAC thanks the FHFA for the opportunity to deliver this annual report and is prepared to respond to any questions or comments that the FHFA may have regarding the contents of this report.

**Appendix A**

**Minutes of**

**Affordable Housing Advisory Council Meetings**

**Joint Meetings of the Affordable Housing Advisory Council and Housing  
and Governance Committee**

**2009**



## MINUTES OF THE MARCH 25, 2009

### Affordable Housing Advisory Council Meeting

The Affordable Housing Advisory Council (AHAC) held a regular quarterly meeting at the FHLBank Topeka, Topeka, Kansas, on March 25, 2009.

#### Members present:

Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton  
David W. Herlinger  
Dennis W. Lauver

Bill A. Major  
Timothy T. O'Connor  
Joe Rowan  
Michael E. Snodgrass

#### Members absent:

Roger D. Nadrchal  
Michael F. Reis

Dena M. Sherrill

#### FHLBank Board directors present:

Robert E. Caldwell, II

Bruce A. Schriefer

#### Bank staff present:

Andrew J. Jetter, President and CEO  
Patrick C. Doran, SVP, General  
Counsel and Secretary  
Bradley P. Hodges, SVP  
Christopher J. Imming, FVP  
Mark C. Ward, AVP

In the absence of a chair and vice chair, Mr. Herlinger called the meeting to order at 8 a.m. (CDT). The committee members present constituted a quorum. He stated that the first order of business was to elect a chair and vice chair.

- 1. ELECTION OF CHAIR AND VICE CHAIR** | Mr. Herlinger noted two nominations were received for the positions of chair and vice chair: Mr. Nadrchal for chair and Mr. Major for vice chair. He asked if there were other nominations for either position. Hearing none, and upon a motion duly made and seconded, Mr. Nadrchal and Mr. Major were unanimously elected, respectively, as AHAC chair and vice chair for the year 2009. Mr. Major then presided over the remainder of the meeting in the absence of Mr. Nadrchal and Mr. Hodges acted as secretary.
- 2. INTRODUCTIONS** | Mr. Major observed that the AHAC has four new members attending their first meeting today: Messrs: Bias, Lauver, O'Connor and Snodgrass. He asked that everyone present introduce themselves and also offer information concerning the organization with which they are affiliated. Introductions and information-sharing were offered as requested by Mr. Major. Mr. Imming noted that the four new members had attended an orientation session at the Bank in early February.
- 3. APPROVAL OF MINUTES** | Mr. Major acknowledged the minutes of the AHAC's regular quarterly meeting of December 17, 2008, which were in the AHAC members' meeting book provided in advance of the meeting. Mr. Major noted one change needed to the minutes, replacing '2009' with '2008' in the eleventh line of page two of the minutes. Upon motion duly made and seconded, the AHAC unanimously approved the minutes of the meeting as amended.
- 4. REVIEW OF 2008 AFFORDABLE HOUSING PROGRAM (AHP) ROUND 2 APPLICATIONS** | Mr. Imming reviewed the 2008 AHP Round 2 applications. He noted that 77 applications were received, perhaps the most received in any round. Of these, 20 applications were deemed ineligible to be scored primarily because of feasibility issues. Of the 57 applications reviewed, 33 were recommended for approval with four alternates. Of these 33 recommended for approval, 985 units are rental and 85 homeownership. Of these, 376 are rehabilitation of dwellings, 681 for new rental/homeowner units and six purchased units. Mr. Imming covered historical data concerning the AHP and how the 2008 Round 2 compares. The AHAC noted that there appeared to be a significant concentration of approved applications with two members: Bank of Oklahoma and Horizon Bank. A discussion ensued as to concerns related to this concentration. Mr. Imming said that his view is that placing a cap on approved applications per member is not feasible or desirable. Mr. Caldwell observed that he is aware of a number of developers of affordable housing who use Horizon Bank because of their expertise in this area. Often other financial institutions recommend Horizon Bank to developers. Mr. Bias said that non-profits tend to work with member institutions with whom they have a long relationship and that he sees no problem with this type of concentration. After the discussion, the AHAC noted that the Bank may wish to consider promoting the AHP to selected members where affordable housing needs exists and where AHP funding is not being presently used. Mr. Herlinger asked Mr. Imming why there were a high number of ineligible projects. Mr. Imming replied that because of recommendations by Federal Housing Finance Agency (FHFA) examination staff, Housing and

Community Development (HCD) staff has tightened feasibility and other requirements related to the initial eligibility review of AHP applications. The AHAC then discussed methods whereby HCD staff can better assist applications in avoiding eligibility and other potential problem areas. Mr. Snodgrass noted that the Nebraska state housing agency has a pre-application process where applicants are encouraged to submit draft applications prior to the deadline and state housing staff then review and provide feedback on problems found in the draft. This allows applicants to make corrections prior to the final submission of an application. After a lengthy discussion, the AHAC requested HCD staff to consider offering some form of formal AHP assistance pre-deadline that could be implemented in 2010.

- 5. REVIEW OF CHANGES TO 2009 AHP IMPLEMENTATION PLAN (IP)** | Mr. Imming reviewed the substantive changes made to the 2009 IP. These included empowerment, targeted, subsidy per unit, maximum dollar amount per project, only one AHP round, fewer AHP dollars and monitoring. Mr. Hodges noted that approved AHP applications will not be permitted to have conditions attached; conditions must be resolved prior to approving a project. The AHAC discussed the potential impact of these changes and urged Mr. Imming to work closely with applicants to ensure they are aware of potential pitfalls with their 2009 applications.
- 6. FHLBANK EARNINGS AND AHP IMPACT** | Mr. Jetter reviewed the reasons for the lowered amount of AHP funding in 2009. He explained the accounting issues that led to a decline in 2008 GAAP income with the Bank ending the year with \$28 million in net income. He noted that the GAAP losses related to the SFAS 133 accounting rule would be recovered over the life of the derivatives. He also reviewed 2008 earnings issues at other FHLBanks. Mr. Major thanked Mr. Jetter for explaining the reasons for the income decline.
- 7. REVIEW OF CODE OF ETHICS PERTAINING TO AHAC MEMBERS** | Mr. Imming presented the annual review of the Bank's Code of Ethics as it pertains to AHAC members. He noted that all members have signed the requisite annual form. Mr. Doran asked that questions related to the Code of Ethics be directed to the Legal staff.

There being no further business to come before the committee, Mr. Major adjourned the meeting at 10:30 a.m. (CDT).

Respectfully submitted by:

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Bill A. Major  
AHAC Vice Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

# MINUTES OF THE MARCH 25, 2009

## **JOINT MEETING OF THE AFFORDABLE HOUSING ADVISORY COUNCIL (AHAC) AND HOUSING AND GOVERNANCE COMMITTEE (committee)**

The AHAC and the committee held a regular quarterly joint meeting at the FHLBank Topeka, Topeka, Kansas, on March 25, 2009.

### **AHAC members present:**

Bill A. Major, Vice Chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton  
David W. Herlinger

Dennis W. Lauver  
Timothy T. O'Connor  
Joe Rowan  
Michael E. Snodgrass

### **AHAC members absent:**

Roger D. Nadrchal, Chair  
Michael F. Reis

Dena M. Sherrill

### **Committee members present:**

Robert E. Caldwell, II, Chair  
Steven D. Hogan  
Jane C. Knight

Thomas H. Olson  
Lindel E. Pettigrew  
Bruce A. Schriefer

### **Committee members absent:**

None

### **Other board members present:**

**Andrew C. Hove, Jr.**

**Lawrence L. McCants**

### **Bank staff present:**

Andrew J. Jetter, President and CEO  
Patrick C. Doran, SVP, General Counsel and Secretary  
Bradley P. Hodges, SVP  
Christopher J. Imming, FVP  
Eric T. Haar, VP  
Mark C. Ward, AVP

Mr. Major presided over the meeting and Mr. Hodges acted as secretary. Mr. Major called the meeting to order at 10:30 a.m. (CDT). The AHAC and committee members present constituted a quorum.

**1. APPROVAL OF MINUTES** | Mr. Major acknowledged the minutes of the regular quarterly joint meeting held on December 17, 2008, which were a part of the materials made available to the AHAC and committee in advance of the meeting. Upon motion duly made and seconded, the AHAC and committee members present unanimously approved the minutes as submitted.

**2. INTRODUCTIONS** | Mr. Major noted that the AHAC had four new members who are attending their first joint meeting. In light of this he asked everyone to introduce themselves and offer information about the organizations with whom they are affiliated. The introductions and information were offered as requested by Mr. Major. Mr. Imming reported that the four new AHAC members had attended an orientation session held at the Bank in early February.

**3. REVIEW OF MATTERS DISCUSSED AT AHAC WORK SESSION** | Mr. Major asked Mr. Hodges to recap the AHAC work session discussion. Mr. Hodges said that the first order of business was to elect a chair and vice chair for the AHAC. He reported that two nominations had been received: Mr. Nadrchal for chair and Mr. Major for vice chair. There were no further nominations and Messrs. Nadrchal and Major were unanimously elected chair and vice chair, respectively, for 2009. Mr. Hodges noted that the AHAC reviewed the 2008 AHP Round 2 applications. AHAC members discussed the high number of approved projects by two member institutions: Bank of Oklahoma and Horizon Bank. Their discussion led to no strong concerns with this concentration but did result in a suggestion that the Bank consider, in its annual review of housing needs in the district, promoting the AHP to members serving areas in potential need of affordable housing. He stated that there were a number of projects deemed ineligible; this resulted from the Bank tightening its eligibility review process and being more stringent in the definition of feasibility in particular. Mr. Imming reviewed other information relative to Round 2 of the 2008 AHP applications. He compared Round 2 applications to those received in prior AHP rounds. The AHAC recommended the implementation of a formal pre-application deadline process whereby members would be encouraged to submit applications in advance of the deadline so that staff could review and note potential problems and communicate these to the affected members and their nonprofits so that problems could be resolved in advance of the final submission. Changes to the 2009 AHP Implementation Plan (IP) were discussed and reviewed by the AHAC. Given the number of substantive changes, the AHAC advised Mr. Imming to work closely with 2009 applicants to ensure the changes and their impact are communicated to applicants. The AHAC reaffirmed its desire that the Bank could offer two AHP rounds again beginning in 2009 but realize this is largely dependent upon Bank earnings in 2009. AHAC members also had discussed the continuing importance of AHP funding, noting that there is a bit of uncertainty surrounding to-be-received stimulus funds in the four states of the 10<sup>th</sup> District. Ms. Christoffersen observed that the stimulus funds that will be made available to the states for affordable housing purposes will have an impact. At this point, it's unclear as to the timing of the funding release and

the final affect. Mr. Imming noted that he was following this and asked that AHAC and committee members to forward any information they obtain on the stimulus funding to him.

**4. CONGRESSIONAL AND PUBLIC OUTREACH UPDATE** | Mr. Haar provided the AHAC and committee with his first quarter activities. He said that the 10<sup>th</sup> District has six new Members of Congress as a result of the 2008 elections. He reported that he and Mr. Doran had met with all of the new members in an effort to provide information concerning the Bank and the role it plays in assisting its member financial institutions. The AHP was prominently promoted to these new members as well. Mr. Doran said that, as a result of Mr. Haar's efforts, the Bank enjoys a good relationship with all 27 Members of Congress who represent the four states contained with the FHLBank's 10<sup>th</sup> District. Mr. Haar said he met with a number of banking and housing trade associations in the first quarter of this year. He observed that the 10<sup>th</sup> District has four Representatives who sit on the House Financial Services Committee and two Senators who are on the Senate Banking Committee. He then reviewed ongoing legislation efforts including the Perlmutter-Lucas bill and mortgage cramdown efforts.

There being no further business to come before the AHAC and committee, the meeting was adjourned by Mr. Major at 11:30 a.m. (CDT).

Respectfully submitted by:

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Bill A. Major  
AHAC Vice Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

MINUTES OF THE JUNE 24, 2009

## **Affordable Housing Advisory Council Meeting**

The Affordable Housing Advisory Council (AHAC) held a regular quarterly meeting at the Garden of the Gods Club, Colorado Springs, Colorado, on June 24, 2009.

### **Members present:**

Roger D. Nadrchal, chair  
Bill Major, vice chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton  
David W. Herlinger

Dennis W. Lauver  
Timothy T. O'Connor  
Michael F. Reis  
Dena M. Sherrill  
Michael E. Snodgrass

### **Members absent:**

Joe Rowan

### **FHLBank Board directors present:**

Robert E. Caldwell, II

### **Bank staff present:**

Andrew J. Jetter, President and CEO  
Mark E. Yardley, EVP and CFO  
Patrick C. Doran, SVP, General  
Counsel  
and Secretary  
Bradley P. Hodges, SVP  
Christopher J. Imming, FVP

Mr. Nadrchal called the meeting to order at 8 a.m. (MDT). The committee members present constituted a quorum. He asked that each committee member introduce themselves and offer information concerning any items of interest.

**8. INTRODUCTIONS AND INITIAL DISCUSSION** | Mr. Nadrchal asked each AHAC member to introduce themselves and offer information they think might be of interest. Each member present provided introductions as well as noting the organization with which they are affiliated. Areas discussed included the federal stimulus funds targeted for affordable housing especially low-income housing tax credit projects and when they might be ready for distribution by the individual states. Members stated that they are beginning to get some information concerning these funds but there remains much that is presently unknown. Mr. Reis noted the continuing high rate of foreclosure in the Longmont, Colorado area. He observed that the Colorado Housing Finance Agency has stopped purchasing mortgages from the local Habitat affiliate and his organization is attempting to fill that gap. Mr. Bias reported that, in part due to affordable housing efforts, Wichita, Kansas has received the designation of All-American city. Mr. O'Connor said that disaster relief continues to be of importance in the Lone Grove/Ardmore, Oklahoma City and western Oklahoma areas. Ms. Dayton said that her organization has primarily developed senior housing and is currently well funded. Mr. Snodgrass advised the AHAC that his organization is attempting to address the low rate of homeownership in the Lincoln, Nebraska metropolitan area. He also reported on homebuyer education efforts underway in Lincoln and the receipt of \$3 million of Lincoln's \$4 million in federal Neighborhood Stabilization and Preservation (NSP) program funds. Mr. Herlinger advised the AHAC on his recent activities including projects underway in Colorado Springs and Fort Collins, Colorado. Mr. Lauver stated that his firm is involved in creating workforce housing in Salina, Kansas; he will be making a presentation to the community on July 14, 2009. Mr. Major said he currently has no open development projects and is waiting upon state dollars to be disbursed. Ms. Sherrill reported that her organization continues to provide substantial down payment assistance and recently received \$750,000 from the state of Oklahoma for this purpose. Ms. Christoffersen said that her organization has new funds that have a 10.15 percent return. Average pricing for tax credits is currently \$0.72 - \$0.74. She reported that fund-raising is proceeding but with fewer dollars per investor. She is hopeful that the federal stimulus funds will assist but that impact is unknown. Mr. Nadrchal also reported that his organization has received an allocation of NSP funds to address housing needs in their communities.

**9. APPROVAL OF MINUTES** | Mr. Nadrchal acknowledged the minutes of the AHAC's regular quarterly meeting of March 25, 2009, which were in the AHAC members' meeting book provided in advance of the meeting. Mr. Major noted one change needed to the minutes, replacing 'Topeka' with 'Tulsa' in the eleventh line of page two of the minutes. Upon motion duly made and seconded, the AHAC unanimously approved the minutes of the meeting as amended.

**10. UPCOMING VISITS WITH AHAC MEMBERS** | Mr. Hodges referred the AHAC to his memo contained in the booklet indicating his goal of visiting each AHAC member at their place of business in 2009. He reported that he had made three such visits to Messrs. Lauver, Nadrchal and Snodgrass and had received valuable information and feedback. He noted that he is taking notes during each visit and then providing Mr. Imming with a summary of his visits.



This is to augment the district needs report that Mr. Imming is developing to assist staff in developing the 2010 affordable housing programs.

**11. REVIEW OF PROPOSED CHANGES TO 2009 AHP IMPLEMENTATION PLAN (IP)** | Mr. Imming reviewed the substantive proposed changes to the 2009 IP. These changes are a result of recommendation from the Federal Housing Finance Agency's (FHFA) Affordable Housing Program (AHP) exam staff as well as changes resulting from Housing and Community Development (HCD) management reviews. Mr. Imming pointed out that the change with most immediate impact concerned the Housing Set-aside Program (HSP) funding process. The HSP funding selection process is based upon a "first come, first served" basis. He explained that during the June 2009 funding round, all available funds were exhausted before early-morning of the first day. In addition problems were experienced arising from the heavy volume of requests and relatively low funding dollars available that served to effectively preclude some members from having applications received by the Bank resulting in many members experiencing a high level of frustration. The current process is for members who wish to request funds to send in completed applications via fax machine which time stamps the sending time. Each application has a number of pages and many members begin faxing at about 12:01 a.m. on the initial funding day. This is the first time in program history that funds were exhausted on the first day, therefore revealing the inherent problems existing in the currently methodology. Several suggestions were received from members and Bank staff diligently reviewed each suggestion as well as considered ideas forwarded by Bank staff. Management is therefore suggesting that beginning with the July 2009 HSP funding round, the following procedures be adopted: (1) allow members to initially submit a one page funding request document; randomly select "winning" projects received before 4:30 p.m. on the first day of the funding round; and if funds remain after the random drawing, "winning" projects would revert to the "first-come, first-served" basis. A majority of AHAC members voiced concern regarding random selection. It was suggested that this could cause some suspicion on the part of some that the Bank might somehow use this process to favor some members or projects over another. AHAC members said the exclusive use of a fax machine seems antiquated and questioned why the Bank didn't use email to receive requests. Members suggested lowering the maximum amount per member given that fewer dollars exist. The AHAC suggested the following: (1) retain the "first-come, first-served" approach; (2) adopt the one page initial submission request; (3) accept only e-mailed requests; (4) only permit one application per member; and (5) don't allow requests to be sent prior to 10 a.m. Central Time. Mr. Caldwell noted that there are many areas in the four-state district where members don't have access to high-speed Internet. He related his experiences in receiving e-mailed reports from rural areas that were at times delayed by hours because of slow transmission speeds, overwhelmed servers, etc. Most of the problems arising from this can be overcome with a random drawing with an end-of-day deadline. The AHAC discussed this and agreed that Mr. Caldwell had pointed out a potentially significant problem. Therefore, the AHAC amended its recommendations by stating that while they preferred the "first-come, first-serve" approach, they would support a random drawing approach if the Housing and Governance (HGC) committee is comfortable with that approach. Mr. Imming reviewed the other, non-technical changes being proposed. He observed that changing the time for Bank review of initial monitoring compliance from one year to six months as recommended by the FHFA AHP examiners would immediately add to the current initial monitoring backlog. He assured the AHAC that he does support the examiner's recommendation but only wanted the AHAC to be aware of the increased backlog. The AHAC briefly discussed the recommended changes and expressed support for all changes. Mr. Imming wanted the AHAC to be aware that management will be

reviewing the AHP IP for purposes of making changes effective in 2010. The scoring related to targeting will receive management attention. During the 2008 exam, AHP examiners noted that it is possible for a rental project to receive 0 targeting points but that homeownership projects received a minimum of 10 points. While the examiners did not immediately require the Bank to address this, it is clear that this could be an area of examiner concern. Mr. Nadrchal suggested taking a “ground zero” approach to AHP scoring; that is, totally review all scoring and where the Bank has flexibility in scoring to not be informed by prior scoring levels. AHAC members supported this approach. Mr. Imming said he would adopt this approach. Mr. Nadrchal suggested adding time to the September 2009 AHAC meeting so the 2010 AHP IP and other agenda items could be thoroughly reviewed. After a brief discussion, the AHAC directed Bank management to set aside time on September 21, 2009, beginning at 3 p.m. for an additional AHAC work session.

**12. HOUSING AND COMMUNITY DEVELOPMENT (HCD) BUSINESS REPORT** | Mr. Imming then reviewed the HCD business report. He explained that this is a new report being provided to the HGC. Management wanted to make the contents of this report available to AHAC members as well. He noted that the report contains information related to the incentive plan mission goal, required quantitative goals, HCD key performance indicators, AHP watch list, number of granted exceptions and open internal audit and exam findings. Mr. Imming noted examiner concerns regarding the approval of a revolving loan fund in its 2008 AHP funding. He explained that concerns were primarily related to procedures developed by the Bank regarding revolving loan funds; examiners are requiring management to revisit its revolving loan fund policies and procedures and substantially expand these. The AHAC expressed its unanimous support for continuing to allow revolving loans funds to be considered for AHP funding. Mr. Imming said management will be revamping policies and procedures; he is unsure if the organization receiving approval will accept these and may decide to reject the AHP funding. He will keep the AHAC informed and further discussion of revolving loan funds will occur at the September 2009 meeting of the AHAC. Mr. Imming pointed out that District Priority 2 is the area where the Bank has the most flexibility in terms of scoring and that he will work to get proposed changes to the scoring to all AHAC members well in advance of the September meeting. Mr. Hodges stressed the importance of improving compliance with AHP regulations. The FHFA has directed management to undertake a comprehensive review of the HCD department, with emphasis on management, staff training, and competitive program and set-aside policies and procedures. He stressed that substantial changes to AHP competitive and set-aside programs may occur as a result of this review. In addition, management is addressing other exam findings having an impact on the AHP.

**13. OTHER** | The AHAC urged management to have 2009 AHP funding recommendations approved by the board of directors prior to its September meeting. This will assist in recommending changes to the 2010 AHP IP. Mr. Imming said that HCD staff is working with a deadline of presenting funding recommendations to the board at a special telephonic meeting in mid- to late-August. In response to a query, Mr. Imming said that 68 AHP applications were received requesting approximately \$15 million in AHP funding. The Bank has \$4.7 million in 2009 AHP funds and expect to be able to fund no more than 15-18 projects in 2009.

There being no further business to come before the committee, Mr. Nadrchal adjourned the meeting at 10:15 a.m. (MDT)

Respectfully submitted by:

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Roger D. Nadrchal  
AHAC Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

# MINUTES OF THE JUNE 24, 2009

## **JOINT MEETING OF THE AFFORDABLE HOUSING ADVISORY COUNCIL (AHAC) AND HOUSING AND GOVERNANCE COMMITTEE (committee)**

The AHAC and the committee held a regular quarterly joint meeting at The Garden of the Gods Club, on June 24, 2009.

### **AHAC members present:**

Roger D. Nadrchal, chair  
Bill Major, vice chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton

David W. Herlinger  
Dennis W. Lauver  
Timothy T. O'Connor  
Michael F. Reis  
Michael E. Snodgrass  
Dena M. Sherrill

### **AHAC members absent:**

Joe Rowan

### **Committee members present:**

Robert E. Caldwell II, chair  
Jane C. Knight  
Thomas H. Olson

Lindel E. Pettigrew  
Bruce A. Schriefer

### **Committee members absent:**

Steven D. Hogan

### **Other board members present:**

**Andrew C. Hove, Jr.**  
**Neil F. M. McKay**

**Lawrence L. McCants**  
**Ronald K. Wente**

### **Bank staff present:**

Andrew J. Jetter, President and CEO  
Mark E. Yardley, EVP and CFO  
Patrick C. Doran, SVP, General Counsel  
and Secretary  
Bradley P. Hodges, SVP  
Christopher J. Imming, FVP

**Others present:** Jon von Seggern, President, Council  
of FHLBanks

Messrs. Caldwell and Nadrchal jointly presided over the meeting and Mr. Hodges acted as secretary. The meeting was called to order at 10:30 a.m. (MDT). The AHAC and committee members present constituted a quorum.

**1. PRESENTATION BY MR. VON SEGGERN** | Mr. Jetter introduced Mr. von Seggern explaining that he is the president of the FHLBanks trade organization, the Council of FHLBanks (Council). The Council was formed about 15 years ago to assist the 12 FHLBanks in arriving at consensus on issues requiring legislative attention and Mr. von Seggern has been president since its inception. Mr. Jetter noted that many issues worked on by Mr. von Seggern involve either directly or indirectly the Affordable Housing Program (AHP). Mr. von Seggern reviewed the organizational structure of the Council, noting that it takes its direction from the Bank Presidents Conference. He reviewed items of recent interest involving the FHLBanks and noted that substantial media attention is being devoted to the FHLBanks. He explained that many FHLBanks are experiencing severe financial stress brought on by lowered valuations of private-label mortgage-backed securities (PLMBS). This has led to reduced funding for AHP in many instances. He reviewed the work conducted by the Council and other interested parties that assisted in the process of better valuing PLMBS. He noted that the FHLBank's REFCorp obligation will be paid in full likely by 2011. He is working to allow the FHLBanks to recapture these funds after that time, thereby allowing for potentially higher levels of FHLBank returns and subsequent additional dollars for AHP funding. The AHAC and committee members thanked Mr. von Seggern for his presentation.

**2. APPROVAL OF MINUTES** | Messrs. Caldwell and Nadrchal acknowledged the minutes of the regular quarterly joint meeting held on March 25, 2009, which were a part of the materials made available to the AHAC and committee in advance of the meeting. Upon motion duly made and seconded, the AHAC and committee members present unanimously approved the minutes as submitted.

**3. REVIEW OF MATTERS DISCUSSED AT AHAC WORK SESSION** | Mr. Major recapped the AHAC work session discussion. He said that Mr. Hodges reported he will be visiting each AHAC member in their respective business locations to better understand how the Bank can assist affordable housing. He said that the AHAC reviewed proposed changes to the 2009 AHP Implementation Plan (IP). He noted that a substantial portion involved a discussion concerning proposed changes to the Housing Set-aside Program (HSP) submission process. The HSP funding selection process is based upon a "first come, first served" basis. Members who wish to request funds send in completed applications via fax machine which time stamps the sending time. Each application has a number of pages and many members begin faxing at about 12:01 a.m. on the initial funding day. During the June 2009 funding round, all available funds were exhausted before early-morning of the first day. In addition problems were experienced arising from the heavy volume of requests and relatively low funding dollars available that served to effectively preclude some members from having applications received by the Bank resulting in many members experiencing a high level of frustration. Management suggested the following procedures be adopted: (1) allowing members to initially submit a one page funding request document; randomly select "winning" projects received before 4:30 p.m. on the first day of the

funding round; and if funds remain after the random drawing, “winning” projects would revert to the “first-come, first-served” basis. Mr. Major said that many AHAC members were concerned that a random process could cause some suspicion on the part of some that the Bank might somehow use this process to favor some members or projects over another. AHAC members also questioned the use of a fax machine as this is antiquated and questioned why the Bank didn’t use the Internet to receive requests. Members further suggested lowering the maximum amount per member given that fewer dollars exist. Initially, the AHAC suggested the following: (1) retain the “first-come, first-served” approach; (2) adopt the one page initial submission request; (3) accept only e-mailed requests; (4) only permit one application per member; and (5) don’t allow requests to be sent prior to 10 a.m. Central Time. However, upon Mr. Caldwell pointing out that in many rural areas of the Bank’s district, members may only have dial-up Internet connections and/or other ISP issues that could significantly delay receipt of an HSP submission, resulting in continuing frustration on the part of Bank members. Mr. Caldwell suggested that most of the problems arising from this can be overcome with a random drawing with an end-of-day deadline. Mr. Major noted that the AHAC noted the merits of Mr. Caldwell’s idea and amended its recommendations by stating that while they preferred the “first-come, first-serve” approach, they would support a random drawing approach if the Housing and Governance (HGC) committee is comfortable with that approach. All other proposed changes to the 2009 AHP IP are being recommended as submitted by management. Mr. Major observed that the AHAC received the same HCD business report as will be received by the HGC at its meeting. He said that the AHAC believes this report will assist it in better understanding the regulatory environment under which the Bank operates and will also assist the AHAC in its review of the AHP IP and the Targeted Community Lending Plan. He said the AHAC urged management to have board approval of 2009 AHP funding prior to the September 2009 meeting as information received from this funding round will assist the AHAC in its creation of the 2010 AHP IP. He said that the AHAC had requested additional time for its September work session; this resulted in adding a work session on Tuesday, September 21, 2009, beginning at 3 p.m.

**4. CONGRESSIONAL AND PUBLIC OUTREACH UPDATE** | Mr. Doran presented this report to the AHAC and committee. Nine Congressional Outreach events were held in the second quarter. Mr. Doran highlighted four of these as having particular import: (a) the chief of staff for Rep. Ed Perlmutter and the district director for Rep. Lamborn participated in a Bank-sponsored Colorado Credit Union Association legislative panel in Colorado Springs on April 9—representatives of the Bank’s board of directors and AHAC attended this meeting as well; (b) Rep. Lynn Jenkins appeared in a Bank-created video celebrating the recipient of the 2009 Community Leadership Award given by the Bank and spoke about the importance of the AHP; (c) Sixteen staffers from five of Oklahoma’s seven Congressional offices participated in a Bank-sponsored Central Habitat for Humanity build day in Oklahoma City on May 20; and (d) on June 15, the chiefs of staff for Sen. Roberts and Rep. Moran participated in a Bank-sponsored federal forum in conjunction with the Kansas Bankers Association D.C. fly-in. Mr. Doran reported that meetings were held with twelve statewide and national trade associations. He reported on a meeting held with the FDIC that he attended along with Nebraska bankers and with Mr. Hove. The meeting was held in an attempt to gain the approval of the FDIC in allowing Nebraska state banks access to the Bank’s Letter of Credit product. The FDIC said it would take it under

consideration at the board level. Mr. Hove pointed out that this is a very lengthy process and requires that a test case be presented. He added that he believed the Nebraska state banks will work to present a test case to the FDIC board. Mr. Doran said the FDIC is concerned that additional access could serve to increase the potential of FDIC losses in bank failure situations. Mr. Doran briefly reviewed pending legislation with the potential to affect the Bank. He noted that the FHFA has a proposed rule that would expand FHLBank membership to allow Community Development Financial Institutions (CDFIs) to become members and thereby have access to the Bank's advance window. This comment period ends July 14, 2009. Mr. Lauver asked if the Obama's administration's proposed regulatory reform was significant, particularly with respect to the Bank. Mr. Doran indicated that many bankers are concerned with the creation of a consumer protection regulator. The worry is that this regulator would have excessive control over banking-related products.

There being no further business to come before the AHAC and committee, the meeting was adjourned at 11:30 a.m. (MDT).

Respectfully submitted by:

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Roger D. Nadrchal  
AHAC Chair

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Robert E. Caldwell II  
Housing and Governance Committee Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

# MINUTES OF THE SEPTEMBER 16-17, 2009

## **Affordable Housing Advisory Council Meeting**

The Affordable Housing Advisory Council (AHAC) held a regular quarterly meeting at the FHLBank Topeka, Topeka, Kansas, on September 16-17, 2009.

### **Members present:**

Roger D. Nadrchal, chair  
Bill Major, vice chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton

Dennis W. Lauver  
Michael F. Reis  
Joe Rowan  
Dena M. Sherrill  
Michael E. Snodgrass  
Dennis W. Lauver

### **Members absent:**

David W. Herlinger

Timothy T. O'Connor

### **FHLBank Board directors present:**

Lindel E. Pettigrew

### **Bank staff present:**

Bradley P. Hodges, SVP  
Christopher J. Imming, FVP  
Mark C. Ward, AVP



Mr. Nadrchal called the meeting to order at 3 p.m. (CDT) on September 16, 2009. The committee members present constituted a quorum. He asked that all present introduce themselves.

**14. APPROVAL OF MINUTES** | Mr. Nadrchal acknowledged the minutes of the AHAC's regular quarterly meeting of June 24, 2009, which were in the AHAC members' meeting book provided in advance of the meeting. Messrs. Lauver and Reis noted two corrections to be made: one to correct a date and the other to clarify that the Colorado Housing Finance Authority has stopped purchasing mortgages from the local Habitat affiliate in Longmont, Colorado. Upon motion duly made and seconded, the AHAC unanimously approved the minutes of the meeting as amended.

**15. REVOLVING LOAN FUND (RLF) PROCEDURES** | Mr. Imming reviewed background information concerning the Affordable Housing Program (AHP) RLF. In 2008 the board of directors, upon recommendation by management, approved funding an AHP RLF. He noted that Federal Housing Finance Agency (FHFA) AHP examiners in 2008 raised substantial concerns regarding the specific RLF in general and the deficiencies observed in the procedures developed for the RLF. Management worked to develop RLF procedures so as to overcome the noted deficiencies. In June 2009 FHFA examiners affirmed that the RLF approved could move forward and the Bank continued to develop RLF procedures. These procedures are now being presented to the AHAC for its consideration. Mr. Imming observed that disbursement for RLF work much like those of an AHP rental project with the difference being that a RLF project must, for each development, submit a disbursement request. In this way it is similar, operationally, to an AHP project requesting modifications. With respect to a RLF project should the initially approved project be refinanced or otherwise repaid, the remaining AHP funds can be put into the RLF fund and must be lent to another project with the same commitments, or with different commitments that when scored according to the scoring rules at the time of the original project will score not lower than the last project funding in that particular round, until the 15-year retention period ends. The AHAC noted that this closed a loophole and required higher reporting requirement on a RLF project. Ms. Sherrill stated that, as compared to rental AHP RLFs, homeowners RLFs are operationally much simpler. Mr. Rowan noted that the RLF procedures as outlined by the Bank are, with a few modifications, not fatally detrimental to a RLF rental project. Mr. Reis said that problems could arise in the out years; say year 13, if the AHP funds are not reloaned what would occur? Mr. Imming said that the AHP funding calendar will stop until a new project is found meeting the requirements mentioned earlier. The AHAC asked how long the RLF would have to find a new project and Mr. Imming noted that same time frame for non-RLF AHP projects applies. Mr. Rowan observed that within the procedures document, when loans are repaid to the RLF principal and interest are not subject to the original retention period and asked why. Mr. Imming said that the FHFA expects a measure of flexibility and the Bank is expected to look for inconsistencies with respect to intent. Mr. Rowan asked for clarification regarding when the AHP subsidy must be reloaned when an AHP RLF project is paid prior to 15-year retention period. Mr. Imming noted that reasonable refers to the 42-month period. Mr. Rowan stated that the need for subsidy section of the procedures could be an issue with respect to gap funding. Mr. Imming said there is no issue with permanent funding but that gap funding may be difficult to justify. The AHAC asked how the subsidy per unit worked with respect to the variety of sources of funding for a RLF project. Mr. Imming said the specifics in this area apply to subsidized advances and does not limit other sources of funding.

Mr. Imming noted a breakdown of the sources and uses of funds is required. Mr. Rowan observed that according to AHP RLF procedures, interest earned RLF projects is required to be put back into the RLF and compensate an institution for the risks taken. Mr. Imming said that this is a regulatory issue and that all interest earned on an AHP RLF must be reloaned within the RLF; he acknowledged that this is a significant issue. Mr. Rowan asked if the Bank would clarify this issue with the FHFA examiners. Mr. Imming said he would take all the issues raised under advisement and clarify certain issues with the examiners. The AHAC directed the Bank to move forward on the AHAC procedures with the intent of moving forward with the previously approved AHP RLF. In addition the AHAC advised the Bank to refrain from allowing RLFs to be eligible until 2011 at the earliest so as to allow time to “iron out” issues with the currently approved project and receive feedback from the FHFA examiners.

**16. REVIEW OF 2010 AHP IMPLEMENTATION PLAN (IP) |** Mr. Imming reviewed certain aspects of the 2010 AHP IP. He noted that the AHAC has previously indicated its desire to return to two rounds of the AHP and perhaps to increase the maximum AHP funding per project back to \$450,000. Ms. Sherrill asked why the 10-day review requirement for homeowner set-aside (HSP) AHP funding was removed. Mr. Imming explained the difficulty in meeting this requirement for some applicants given the time it takes to address certain issues. Ms. Sherrill suggested the Bank should offer some type of guidance. Mr. Imming noted he is reluctant to create an expectation that cannot be 100 percent of the time and noted that he fully expects all HSP applications that are complete to receive disbursements within 10 days, stating that the Bank has hired an additional individual in the AHP homeowner area to assist with the HSP, among other duties. Mr. Bias said he generally uses 30 days as an expectation for HSP funding.

Mr. Nadrchal adjourned the meeting at 5:10 p.m., reminding committee members that the AHAC would reconvene at 8 a.m. the following day.

Mr. Nadrchal called the meeting to order at 8 a.m. (CDT) on September 17, 2009. The committee members present constituted a quorum.

**17. REVIEW OF 2010 AHP IMPLEMENTATION PLAN (IP) CONTINUED |** Mr. Nadrchal suggested, given the time constraints, focusing on AHP scoring as this is at the heart of the IP. Mr. Imming emphasized that the Bank will not be finalizing the 2010 IP until the December board of directors’ meeting. He noted that input, if any, received as a result of feedback received from FHFA exam staff, may cause additional changes to the 2010 IP. Mr. Rowan asked if the sliding scale regarding receiving the maximum points related to area median income (AMI) can be changed. The AHAC noted that maximum points are earned at the 60 percent AMI level and this seems appropriate. The AHAC asked Mr. Imming if the subsidy per unit should be revised as a result from feedback received in 2009. The donation of property category was reviewed with some members of the AHAC noting that this is a difficult category to receive any points. Mr. Imming said that this is a required category and the 20 percent minimum unit requirement is also a regulatory requirement. In response to a query, Mr. Imming noted that fair market value is defined as one received from an independent appraiser or from the county assessor’s office. Mr. Reis pointed out that the definition of homeless contained in the homeless category may need to be revised to be consistent with HUD’s definition which has recently changed. Empowerment was reviewed with the listing of credited categories discussed. Mr. Imming stated that a formal neighborhood housing association is necessary to obtain the points for

resident involvement for homeownership projects. Mr. Major suggested expanding the number of categories eligible for empowerment credit. Mr. Imming said he would check into the possibility of adding categories, first with the Bank's Legal staff, then with examiners if necessary. With respect to community stability, Mr. Lauver suggested we might wish to adjust scoring given that some areas of the district are experiencing a disproportionate impact as a result of the economic downturn. Mr. Imming suggested that district priority two would be the scoring section to use for assisting distressed areas. He observed that, according to the Bank's Legal department, the recent final interim rule with respect to AHP which primarily adds foreclosure assistance as eligible for AHP funding also expands district priority two, giving the FHLBanks more flexibility. Mr. Snodgrass asked if energy efficiency was contained in any scoring categories; Mr. Imming replied this wasn't the case in the present IP and noted that district priority two would be the appropriate scoring category for crediting energy efficiency. The AHAC turned its attention to district priority one, first focusing on special needs. Mr. Reis questioned the narrow focus contained within special needs, pointing out that it seemed to be somewhat dated. Mr. Imming said this section had not been updated since the original rule and said that special needs could be moved to district priority two as the Bank doesn't have to use every category eligible for district priority one being only required to use at least one of the categories contained within the rule. The AHAC suggested tweaking the definition of first-time homebuyer to better conform to the HUD definition. Other district one priority factors were deemed to be sufficient. District priority two was discussed in some detail. Mr. Major suggested, given the additional flexibility recently added, that points and categories be added. Mr. Imming cautioned against doubling up on categories already contained in the other scoring categories stating that district priority two should differentiate to address regional needs. The AHAC discussed scoring areas from which to shift points to district priority two. In discussing community involvement, Mr. Reis said there is value in keeping leverage for zoning matters; while some are indeed administrative in nature there is opportunity to create and reward meaningful zoning changes. Mr. Reis suggested moving 2.5 points from community involvement to financial support to be contained in the district two priority scoring. Ms. Dayton reminded members to be very careful about approaching city councils with requests for certain categories of financial support as these can prove to be very controversial. Mr. Major agreed and noted that financial support can come from a variety of groups. Ms. Christoffersen suggested adding energy efficiency to district priority two, perhaps using the Energy Star designation as proof. The AHAC discussed various forms and designations of energy efficiency with Mr. Snodgrass concluding by suggesting the Bank move incrementally on this as the area of energy efficiency designation is likely to evolve rather rapidly; he said he favored beginning with the Energy Star definition but allowing the term "either of" and add LEED designations. Mr. Bias reminded the AHAC to not lose sight of the affordability component as gaining energy efficiency designations can be very costly, stating he favors the incremental approach as well. Mr. Major noted that very few projects get are awarded the maximum points available for community stability. Mr. Imming replied that most received their points for rehabilitation under a neighborhood stabilization plan. Mr. Bias asked what is considered a neighborhood stabilization plan. Mr. Imming said that in Kansas this is formal revitalization plan tied to incentives. Insofar as the Bank is concerned credit is given so long as a community has adopted a published and documented plan. Mr. Lauver noted that very few obtain points for donated property. Several members replied that it is difficult to obtain donated property sufficient to earn even minimum points but this is a required category. The AHAC agreed to add points to district priority number two and reviewed where points could be reduced in order to accomplish. Mr. Reis asked if the subsidy per unit should be reduced. After a brief discussion, the AHAC determined to leave subsidy per unit as is since it is an objective, quantifiable category. Mr. Nadrchal

suggested moving 2.5 points from district priority one and add energy efficiency for purposes of earning points. Ms. Christoffersen suggested moving all 10 points given for community involvement contained in district priority one and create a community partnering point category in district priority two. Mr. Nadrchal suggested that, in the interest of time, Mr. Imming make changes as suggested during the AHAC meeting as well as those suggested by management including any resulting from conversations with examiners making those changes clear and no later than the first week of November send the proposed 2010 AHP IP to all AHAC members for review. In this way, everyone would be prepared for a robust and informed discussion at the December meeting of the AHAC. Ms. Christoffersen noted since there now are no exceptions to what were formerly considered guidelines, she had a few questions. She suggested removing contingency 1(b) and Mr. Imming agreed. She asked why *Marshall Swift* was deleted as a source for reasonable development costs. Mr. Imming replied that experience using Marshall Swift data revealed that the baseline costs were not realistic. We now use *RS Means* which is more realistic for our district. Ms. Christoffersen observed the debt coverage ratio range of 1.0-1.35 for the first year. She doesn't think this is workable. Mr. Imming said he would review again but observed that this directly relates to curing a 2008 exam finding. Mr. Pettigrew asked who among the AHAC would use the RLF if offered again. Three of the 10 members present indicated they would consider applying for AHP RLF funding.

**18. CONSULTATION ON INDEPENDENT DIRECTOR NOMINEES** | Mr. Doran said that the regulations currently governing the nomination of independent directors require the Bank to obtain input from the AHAC prior to placing candidates on the member election ballot. He reviewed the process for gathering nominees, noting that the board of directors provides nominations and that nomination may also be received from individuals in the district. He explained that there are two types of independent directors; public interest and general. Public interest independent directors must have experience in affordable housing while general independent directors are expected to have financial expertise. Two independent director positions, currently held by Messrs. Masinton and Hove, are up for election in 2009: both directors are available for re-nomination and have indicated they desire to stand for election. A nominating committee of the board comprised of Messrs. Caldwell, Pettigrew, Berryhill and Wente, has convened and is presenting Messrs. Masinton and Hove to the AHAC as candidates for election. Mr. Doran reviewed the resolution asking the AHAC for its adoption. Mr. Pettigrew reviewed the qualifications of the nominees, noting that both individuals are valuable members of the board of directors. Upon a motion duly made and seconded, the AHAC unanimously adopted the resolution nominating Mr. Masinton as general independent director and Mr. Hove as a public interest independent director for the two independent director seats up for election in 2009. Mr. Doran thanked the AHAC and said the resolution would go before the board of directors for their approval and adoption.

There being no further business to come before the committee, Mr. Nadrchal adjourned the meeting at 10:35 a.m. (CDT)

Respectfully submitted by:

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Roger D. Nadrchal  
AHAC Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

# MINUTES OF THE SEPTEMBER 17, 2009

## **JOINT MEETING OF THE AFFORDABLE HOUSING ADVISORY COUNCIL (AHAC) AND HOUSING AND GOVERNANCE COMMITTEE (committee)**

The AHAC and the committee held a regular quarterly joint meeting at the FHLBank Topeka, Topeka, Kansas, on September 17, 2009.

### **AHAC members present:**

Roger D. Nadrchal, chair  
Bill Major, vice chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton

Dennis W. Lauver  
Michael F. Reis  
Joe Rowan  
Dena M. Sherrill  
Michael E. Snodgrass

### **AHAC members absent:**

David W. Herlinger  
Timothy T. O'Connor

### **Committee members present:**

Lindel E. Pettigrew, acting chair  
Steven D. Hogan

Jane C. Knight  
Bruce A. Schriefer

### **Committee members absent:**

Robert E. Caldwell II, chair

Thomas H. Olson

### **Other board members present:**

None

### **Bank staff present:**

Andrew J. Jetter, President and CEO  
Patrick C. Doran, SVP, General Counsel and  
Secretary  
Bradley P. Hodges, SVP  
Christopher J. Imming, FVP  
Eric T. Haar, VP  
Mark C. Ward, AVP

Mr. Nadrchal and Mr. Pettigrew, in the absence of Mr. Caldwell, presided over the meeting and Mr. Hodges acted as secretary. The meeting was called to order at 10:40 a.m. (CDT). The AHAC and committee members present constituted a quorum.

**1. APPROVAL OF MINUTES** | Messrs. Nadrchal and Pettigrew acknowledged the minutes of the regular quarterly joint meeting held on June 24, 2009, which were a part of the materials made available to the AHAC and committee in advance of the meeting. Upon motion duly made and seconded, the AHAC and committee members present unanimously approved the minutes as submitted.

**2. REVIEW OF MATTERS DISCUSSED AT AHAC WORK SESSION** | Mr. Major noted that Mr. Pettigrew had been present at the AHAC work session which had been conducted over two days, September 16 from 3-5 p.m. and this morning from 8-10:30 a.m. He observed that two primary topics were covered: reviewing procedures for Affordable Housing Program (AHP) projects involving Revolving Loan Funds (RLF) and discussing the 2010 AHP Implementation Plan (IP). The general parameters of RLF projects were discussed with requests for further review by the Bank. Some areas needing additional study and perhaps input from the Federal Housing Finance Agency (FHFA) examiners included maximum period of time when funds are not in use and awaiting another project to fund and uses of earned interest. There were other areas, some technical in nature, needing further review by the Bank. The AHAC is recommending that the Bank proceed with the AHP RLF project previously approved in 2008, ensuring in advance as much as possible that the FHFA examiners are comfortable with the written procedures. The AHAC acknowledged that the Bank must conform completely to AHP regulations and fully address examiner concerns and findings, never allowing any project, including a RLF one, to compromise compliance. The AHAC is recommending that the Bank refrain from allowing further AHP RLF projects until it is demonstrated that RLF procedures are in compliance and are operationally feasible for the current approved project. With regard to the 2010 AHP IP, Mr. Major noted that the AHAC had lengthy and robust dialogue focusing on the scoring process. The AHAC recommends moving back to two AHP rounds in 2010 and increasing the maximum AHP funding per project to \$450,000. Further recommendations include revising the definition of homeless to conform to HUD's definition, clarifying the definition of first-time homebuyers to conform to practice, shifting the community involvement scoring category from district priority one to district priority two and renaming and revising this scoring category, adding energy efficiency as a scoring category under district priority two and examining certain underwriting rules, including contingency. Mr. Major said the AHAC adopted a resolution naming Mr. Masinton as a nominee for the open general independent director position and Mr. Hove a nominee for the open public interest independent director position.

**4. CONGRESSIONAL AND PUBLIC OUTREACH UPDATE** | Mr. Haar said the Bank had held 15 outreach events throughout the district during the third quarter. He said that some of these events were "roundtable" in nature and involved topics such as affordable housing and member regulatory concerns. Attendees at these events included housing advocates, housing practitioners such as members of the AHAC, member institutions

and Members of Congress and/or their staffs. A Habitat for Humanity build day was held in Oklahoma City with a Member of Congress in attendance. In terms of legislative and regulatory issues, the Bank continues to review issues concerning financial services reform. Many of our members' trade organizations have concerns about the proposed Consumer Financial Protection Agency believing that community banks via the Community Reinvestment Act requirement are adequately held accountable and that the overwhelming majority of recent consumer issues have arisen as a result of actions by unregulated and/or lightly regulated entities. Other issues concern the possible creation of a systemic risk regulator, regulations concerning derivatives, cram down legislation, executive compensation regulation, legislation concerning rating agencies and the "too big to fail" issue. Additionally, the Mortgage Bankers Association (MBA) has recently released a white paper proposing changes to FNMA and FHLMC that has received much attention in the banking and mortgage media world as well as some from Congress. Mr. Haar said he continues to emphasize that the FHLBanks are the GSE that works. Mr. Doran observed that the FNMA and FHLMC issue is an interesting one. While there has been much criticism of both entities, there appears to be agreement that both FNMA and FHLMC are essential to the U.S. mortgage system. In response to a query from Mr. Lauver, Mr. Haar said that there is consideration being given towards increasing CRA requirements and to perhaps fold other types of financial entities, such as credit unions, under the CRA umbrella. In addition some has suggested that CRA be placed under the aforementioned proposed Consumer Financial Protection Agency should it be created. Mr. Rowan said that MBA proposal for FNMA and FHLMC is limited to single family residential lending. He said that in the past both FNMA and FHLMC have been large buyers of multi-family housing and wonders what entity would step in to fill this gap. Mr. Haar said he has been informed that the megabanks are expected to provide funding for multi-family housing

There being no further business to come before the AHAC and committee, the meeting was adjourned by Messrs. Nadrchal and Pettigrew at 11:25 a.m. (CDT).

Respectfully submitted by:

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Roger D. Nadrchal, AHAC Chair

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Lindel E. Pettigrew, Housing and Governance Committee Acting Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary



# MINUTES OF THE DECEMBER 16, 2009

## Affordable Housing Advisory Council Meeting

The Affordable Housing Advisory Council (AHAC) held a regular quarterly meeting at the Intercontinental Hotel, Kansas City, Missouri, on December 16, 2009.

### Members present:

Roger D. Nadrchal, chair  
Bill Major, vice chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton

Dennis W. Lauver  
Timothy T. O'Connor  
Michael F. Reis  
Joe Rowan  
Dena M. Sherrill

### Members absent:

David W. Herlinger

### FHLBank Board directors present:

Robert E. Caldwell II

### Bank staff present:

Andrew J. Jetter, President and CEO  
Patrick C. Doran, SVP, General  
Counsel

and Corporate Secretary  
Bradley P. Hodges, SVP  
Christopher J. Imming, FVP

Mr. Nadrchal called the meeting to order at 8 a.m. (CST) on December 16, 2009. The committee members present constituted a quorum.

**19. APPROVAL OF MINUTES** | Mr. Nadrchal acknowledged the minutes of the AHAC's regular quarterly meeting of September 17, 2009, which were made available to the AHAC in advance of the meeting. Upon motion duly made and seconded, the AHAC unanimously approved the minutes of the meeting as submitted.

**20. GENERAL DISCUSSION** | Mr. Nadrchal asked each AHAC member to discuss topical affordable housing issues currently encountered. Members noted that the tax-credit market continued to be troublesome as investors are few at present. In general, the local economies around the district are slowing as the recession makes its way into many areas previously impervious to the recession. The northern portion of the front slope in Colorado appears to be recovering from its economic woes. Workforce housing continues to expand in certain areas of the district, particularly in Oklahoma and Nebraska.

**21. AHAC CHAIR/VICE-CHAIR MEETING WITH FHFA** | Mr. Nadrchal said he and Mr. Major, along with AHAC chairs and vice-chairs from the other eleven FHLBanks, had attended a meeting conducted by the FHFA on December 3-4 in Washington, D.C. He said that Mr. Hernandez, a recent addition to the FHFA staff, spoke to the group and was impressive. Topics included rural housing and manufactured housing. Mr. McLean reviewed areas of interest, including targeting. FHFA staff reviewed their "duty to serve" as espoused by HERA and asked for input from the group. The chairs and vice-chairs were advised that the FHFA plans to have an annual meeting of the AHAC chairs and vice-chairs going forward. Mr. Nadrchal and Major said the meeting was helpful and a good use of their time.

**22. 2009 AHP SCORING** | Mr. Imming reviewed the 2009 competitive AHP approved applications as presented to the board of directors at its September meeting. In 2009, \$4.7 million in competitive AHP funds were available. The Bank received 68 applications requesting \$15.6 million. Twenty-two applications and four alternates were approved for funding by the board in September, totaling \$4.7 million in AHP funds. The approved applications leveraged each dollar of AHP with \$24.9 from other funding sources. Rural projects funded were 50 percent of approved AHP applications and 923 total units were approved, 618 comprising rental units. The average subsidy-per-unit was \$5,000 and more than 50 percent of 2009 competitive AHP funding supported housing for very low-income households. Mr. Imming said that 11 AHP applications were rejected for a variety of reasons. He reviewed the approach taken in 2009 whereby no recommended applications contained any conditions or exceptions. Mr. Imming informed AHAC members that additional information was available on the AHAC Web site and noted that the names and locations of all projects were not included on the Web site as recommended by the FHFA AHP examiners.

**23. REVIEW OF PROPOSED 2010 AHP IMPLEMENTATION PLAN (IP)** | Mr. Imming reviewed the substantive changes contained in the proposed AHP IP: (a) two rounds in 2010 with deadlines of March 1 and September 1; (b) changes to the feasibility criteria; (c) changes due to audit and exam findings; (d) changes to revolving loan fund procedures; (e) inclusion of the Mortgage Refinancing Program in the set-aside; and (f) changes recommended by the AHAC at the September meeting including modifications to the subsidy per-unit for rental applications and

scoring modifications to district priorities one and two. Mr. Imming noted that the complete black-lined IP followed the memo and he distributed a document that illustrated the changes recommended by the Bank's Legal department, none of which affected scoring or other practical applications of the IP. The AHAC began its discussion by reviewing the set-aside programs. The concept of limitations or rules versus pure guidelines was reviewed with Mr. Imming stating that guidelines combined with staff judgment concerning small outliers was the recommended approach for both the set-aside programs and the competitive program. The AHAC strongly agreed that informed judgment was essential. A discussion of the various guidelines occurred with AHAC members questioning Mr. Imming as to the source of the guideline parameters. The competitive program was then reviewed. Scoring changes to district priorities one and two were thoroughly reviewed. Ms. Sherrill recommended changing district priority two, AHP section 3.9.1 to a maximum of 7.5 points and section 3.9.2 a maximum allocation of 10 points. The AHAC agreed with the suggestion. Mr. Major, pointing out the desire of many to subsidize monthly rents, suggested moving the maximum rental management fee from 10 percent of net rent to 15 percent of net rent; AHAC members supported this change. Ms. Christoffersen suggested the debt coverage ratio range of 1.0-1.35 was too conservative given the fact that earlier years of a pro forma often required higher initial numbers. AHAC members discussed the debt coverage ratio range and decided to change the range to 1.0-1.5 average over 15 years. The income and expense annual escalator was reviewed by the AHAC with a decision made to change the language to the following: "The pro forma must include expense and income escalators acceptable to the FHLBank." A lengthy discussion of the costs of rehabilitation occurred with AHAC members noting that there was no consensus on what comprised reasonable rehab costs. Some suggested the Bank contract with a respected local contractor to review rehab costs and others suggested Mr. Imming compile data based on past experience. The procedures for using AHP funding to support revolving loan funds were reviewed and discussed with no changes recommended to what was submitted. After discussion and upon a motion duly made and seconded the AHAC voted unanimously to recommend that the Housing and Governance Committee recommend board approval of the 2010 AHP IP as submitted and with the changes recommended by the Legal department of the Bank as well as those recommended by the AHAC during this meeting's discussion.

**24. REVIEW PROPOSED 2010 TARGETED COMMUNITY LENDING PLAN (TCLP)** | Mr. Imming reviewed the proposed TCLP with the AHAC. He noted that JOBS 2010 funding was expected to be \$1.25 million. Mr. Lauver asked if the Bank could accurately document the number of jobs retained or created via these funds given the rather low maximum of \$25,000 per project. AHAC members stated that JOBS funding grants were targeted to very small employers as well as to help pay for programs designed to attract employers to small rural areas. Mr. Caldwell offered several examples of JOBS grants greatly assisting small employers in rural Nebraska. Mr. Imming suggested devoting time at a future AHAC meeting to review the CICA programs and the JOBS program. He said that the JOBS funding was at base a charitable grant program not subject to regulations or statutes. Mr. Imming then reviewed the 2010 goals associated with CICA programs. After discussion and upon a motion duly made and seconded the AHAC voted unanimously to recommend that the Housing and Governance board recommend board approval of the 2010 TCLP as submitted.

**25. ANNUAL REVIEW OF AHAC CHARTER** | Mr. Doran noted that subsequent to the AHAC book being printed, management had decided to recommend a change to the AHAC charter that described its responsibility with

respect to the nomination of independent directors of the Bank's board of directors. He said specific language would be added at the Housing and Governance Committee meeting.

There being no further business to come before the committee, Mr. Nadrchal adjourned the meeting at 11:10 a.m. (CST).

Respectfully submitted by:

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Roger D. Nadrchal  
AHAC Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

# MINUTES OF THE DECEMBER 16, 2009

## JOINT MEETING OF THE AFFORDABLE HOUSING ADVISORY COUNCIL (AHAC) AND HOUSING AND GOVERNANCE COMMITTEE (committee)

The AHAC and the committee held a regular quarterly joint meeting at the Intercontinental Hotel, Kansas City, Missouri, on December 17, 2009.

### **AHAC members present:**

Roger D. Nadrchal, chair  
Bill Major, vice chair  
Andrew L. Bias  
Becky J. Christoffersen  
Vicky L. Dayton

Timothy T. O'Connor  
Dennis W. Lauver  
Michael F. Reis  
Joe Rowan  
Dena M. Sherrill

### **AHAC members absent:**

David W. Herlinger

### **Committee members present:**

Robert E. Caldwell II, chair  
Steven D. Hogan  
Thomas H. Olson

Jane C. Knight  
Lindel E. Pettigrew  
Bruce A. Schrieffer

### **Committee members absent:**

None

### **Other board members present:**

None

### **Bank staff present:**

Andrew J. Jetter, President and CEO  
Patrick C. Doran, SVP, General Counsel and  
Secretary

Bradley P. Hodges, SVP  
Christopher J. Imming, FVP  
Eric T. Haar, VP

Mr. Nadrchal and Mr. Caldwell presided over the meeting and Mr. Hodges acted as secretary. The meeting was called to order at 10:30 a.m. (CST). The AHAC and committee members present constituted a quorum.

**1. APPROVAL OF MINUTES** | Messrs. Nadrchal and Caldwell acknowledged the minutes of the regular quarterly joint meeting held on September 17, 2009, which were a part of the materials made available to the AHAC and committee in advance of the meeting. Upon motion duly made and seconded, the AHAC and committee members present unanimously approved the minutes as submitted.

**2. REVIEW OF MATTERS DISCUSSED AT AHAC WORK SESSION** | Mr. Major observed that the AHAC discussed four primary matters: (a) recent AHAC chair-vice-chair meeting with the FHFA in Washington, D.C.; (b) 2009 AHP competitive round approved applications; (c) the proposed 2010 AHP Implementation Plan (IP); and (d) the proposed 2010 Targeted Community Lending Plan (TCLP). He said that he and Mr. Nadrchal attended the AHAC chair-vice-chair meeting on December 3-4. The meeting was beneficial in that attendees were able to interact with senior staff of the FHFA and discuss affordable housing topics, particularly in the areas of rural housing and manufactured housing financing. He noted that the FHFA stated its intent to have an annual meeting of the AHAC chairs and vice-chairs. He said that Mr. Imming covered the 2009 competitive AHP round, describing the scoring and explaining the changed approach in that conditions and exceptions were not permitted for approved applications. By far the most time at the meeting was devoted to a thorough review of the proposed 2010 AHP IP. Mr. Major noted the AHAC received a complete black-lined IP as well as the changes recommended by the Bank's Legal department. The AHAC was advised that the FHFA examiners were critical of the Bank's 'no exceptions' approach to AHP guidelines, stating that this approach could result in eligible applications being declared ineligible. A discussion of the guidelines took place with the AHAC concluding that informed judgment should be used rather than strict restrictions vis-à-vis AHP guidelines for both the competitive and set-aside programs. Scoring changes to district priorities one and two were discussed with the following changes recommended by the AHAC: (a) changing district priority two, AHP section 3.9.1 to a maximum of 7.5 points and section 3.9.2 a maximum allocation of 10 points; (b) moving the maximum rental management fee from 10 percent of net rent to 15 percent of net rent; (c) changing the debt coverage ratio range to 1.0-1.5 average over 15 years; and (d) altering the income and expense escalator language to the following: "The pro forma must include expense and income escalators acceptable to the FHLBank." The difficulty of obtaining rehab costs acceptable to FHFA examiners was reviewed. Suggestions included contracting with a respected local contractor to review rehab costs and compiling data based on past experience. The procedures for using AHP funding to support revolving loan funds were reviewed and discussed with no changes recommended to what was submitted. The AHAC reviewed the TCLP and approved recommending it as presented.

**3. CONGRESSIONAL AND PUBLIC OUTREACH UPDATE** | Mr. Haar said the Bank hosted many events with Members of Congress and/or their staffs during the fourth quarter. He reviewed pending legislation affecting the Bank and its members including the language changes concerning the Consumer Financial Protection Agency (CFPA); noting that the FHLBanks and small community banks have been excluded from

CFPA oversight but community banks would still be subject to new rules proposed by the CFPB through their existing bank regulator. He discussed the concept of a systemic risk regulator and the legislation surrounding it. He said that financial institutions with less than \$10 billion in assets are excluded from this bill. The Miller-Moore amendment was altered from a 20 percent haircut for secured lenders to 10 percent with several carveouts including excluding the FHLBanks. Mr. Haar observed that Congress will take up the future of Fannie Mae and Freddie Mac beginning in early 2010. Since the FHLBanks represent the third housing GSE and we share a regulator, it is possible that the FHLBanks may become a part of the discussion. Messrs. Nadrchal and Caldwell thanked Mr. Haar for his report.

There being no further business to come before the AHAC and committee, the meeting was adjourned by Messrs. Nadrchal and Caldwell at 11:25 a.m. (CST).

Respectfully submitted by:

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Roger D. Nadrchal, AHAC Chair

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Robert E. Caldwell II, Housing and Governance Committee Chair

Attest:

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Bradley P. Hodges, SVP, Corporate Services  
Secretary

## **Appendix B**

**2009 AHP**

### **Project Descriptions**



## ***AHP Project Descriptions - 2009***

### **Colorado**

FHLBank Member:	FirstBank of Colorado
Name of Project:	Senior Residences at Creekside West
Project Location:	Lakewood, CO
Non-profit Sponsor:	Lakewood Housing Authority
Amount of Subsidy:	\$300,000
Number of Units:	83
Total Development Costs:	\$15,197,452
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	54 units @ 50%AMI 27 units @ 60%AMI
Special Needs:	81 units for elderly
Rural:	N/A

FHLBank Member:	First National Bank
Name of Project:	Provincetown Green Communities
Project Location:	Fort Collins, CO
Non-profit Sponsor:	CARE Housing, Inc.
Amount of Subsidy:	\$350,000
Number of Units:	85
Total Development Costs:	\$13,100,427
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	84 units @ 50%AMI
Special Needs:	22 units, visitable
Rural:	100%

FHLBank Member:	FirstBank of Aurora
Name of Project:	Fulton Street Transformational Housing
Project Location:	Aurora, CO
Non-profit Sponsor:	Housing Authority of the City of Aurora
Amount of Subsidy:	\$240,000
Number of Units:	40
Total Development Costs:	\$10,282,030
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	40 units @ 50%AMI
Special Needs:	40 units, visitable
Rural:	N/A

FHLBank Member:	Citizens Bank of Pagosa Springs
Name of Project:	Mesquite Court Apartments
Project Location:	Pagosa Springs, CO
Non-profit Sponsor:	Opportunity Builders
Amount of Subsidy:	\$144,000
Number of Units:	49
Total Development Costs:	\$9,566,457
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	40 units @ 50%AMI 8 units @ 60%AMI
Special Needs:	25 units, visitable
Rural:	100%

FHLBank Member:	FirstBank of Longmont
Name of Project:	Aspen Meadows Neighborhood
Project Location:	Longmont, CO
Non-profit Sponsor:	Longmont Housing Authority
Amount of Subsidy:	\$139,923
Number of Units:	28
Total Development Costs:	\$6,988,320
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	28 units @ 50%AMI
Special Needs:	N/A
Rural:	N/A

### Kansas

FHLBank Member:	CoreFirst Bank & Trust
Name of Project:	Emporia Homebuyer and Repair
Project Location:	Scattered site – Kansas
Non-profit Sponsor:	City of Emporia
Amount of Subsidy:	\$247,500
Number of Units:	65
Total Development Costs:	\$3,283,000
Type of Project:	Purchase / rehab
Owner or Rental:	Owner
Income Level Targeted:	55 units @ 60%AMI 10 units @ 70%AMI
Special Needs:	10 units for elderly 3 units for disabled
Rural:	100 %

FHLBank Member:	Capitol Federal Savings Bank
Name of Project:	Lawrence Community Housing
Project Location:	Scattered site – Kansas
Non-profit Sponsor:	Tenants to Homeowners
Amount of Subsidy:	\$75,000
Number of Units:	15
Total Development Costs:	\$1,970,000
Type of Project:	New construction / rehab
Owner or Rental:	Owner
Income Level Targeted:	12 @ 50%AMI 3 @ 60%AMI
Special Needs:	13 units, visitable 4 units for disabled
Rural:	N/A

FHLBank Member:	United Bank & Trust
Name of Project:	Apollo Towers
Project Location:	Clay Center, KS
Non-profit Sponsor:	Clay Center Affordable Housing, Inc.
Amount of Subsidy:	\$350,000
Number of Units:	49
Total Development Costs:	\$4,835,626
Type of Project:	Rehab
Owner or Rental:	Rental
Income Level Targeted:	33 @ 50%AMI 16 @ 60%AMI
Special Needs:	20 units for elderly 10 units for disabled 5 units, visitable
Rural:	100%

FHLBank Member:	Farmers Bank & Trust
Name of Project:	Trinity Place Senior Residences
Project Location:	Atchison, KS
Non-profit Sponsor:	Homestead Affordable Housing, Inc.
Amount of Subsidy:	\$192,000
Number of Units:	36
Total Development Costs:	\$4,063,000
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	22 units @ 50%AMI 14 units @ 60%AMI
Special Needs:	36 units for elderly 2 units for homeless
Rural:	100%

FHLBank Member:	Fidelity Bank
Name of Project:	Neighborhood Homes 2009
Project Location:	Scattered site – Kansas
Non-profit Sponsor:	Mennonite Housing Rehabilitation Services, Inc.
Amount of Subsidy:	\$150,000
Number of Units:	30
Total Development Costs:	\$3,255,000
Type of Project:	New construction
Owner or Rental:	Owner
Income Level Targeted:	30 units @ 60%AMI
Special Needs:	N/A
Rural:	N/A

FHLBank Member:	Brotherhood Bank & Trust Company
Name of Project:	ITIN Mortgage Loan Program
Project Location:	Scattered site – Kansas
Non-profit Sponsor:	CHWC, Inc.
Amount of Subsidy:	\$100,000
Number of Units:	50
Total Development Costs:	\$4,125,000
Type of Project:	Purchase / rehab
Owner or Rental:	Owner
Income Level Targeted:	50 units @ 60%AMI
Special Needs:	N/A
Rural:	N/A

FHLBank Member:	RelianzBank
Name of Project:	Country Acres
Project Location:	Wichita, KS
Non-profit Sponsor:	KETCH
Amount of Subsidy:	\$150,000
Number of Units:	30
Total Development Costs:	\$3,689,171
Type of Project:	Purchase / new construction
Owner or Rental:	Rental
Income Level Targeted:	30 units @ 50%AMI
Special Needs:	30 units for disabled
Rural:	N/A

## Nebraska

FHLBank Member:	First National Bank
Name of Project:	The Connection
Project Location:	North Platte, NE
Non-profit Sponsor:	The Connection Homeless Shelter, Inc.
Amount of Subsidy:	\$250,000
Number of Units:	39
Total Development Costs:	\$1,296,214
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	39 units @ 50%AMI
Special Needs:	39 units for homeless 5 units for disabled 3 units for those recovering from substance abuse 3 units for those recovering from physical abuse 2 units, visitable
Rural:	100 %

FHLBank Member:	Horizon Bank
Name of Project:	LCMT Accessible Housing LLC
Project Location:	Scattered site
Non-profit Sponsor:	Tenants to Homeowners
Amount of Subsidy:	\$175,000
Number of Units:	20
Total Development Costs:	\$2,746,632
Type of Project:	Rehab
Owner or Rental:	Rental
Income Level Targeted:	12 units @ 50%AMI 8 units @ 60%AMI
Special Needs:	20 units for disabled 20 units, visitable
Rural:	N/A

FHLBank Member:	Horizon Bank
Name of Project:	Rosewood Estates II
Project Location:	Alliance, NE
Non-profit Sponsor:	Alliance Housing Authority
Amount of Subsidy:	\$252,000
Number of Units:	18
Total Development Costs:	\$2,971,093
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	10 units @ 50%AMI 8 units @ 60%AMI
Special Needs:	18 units for elderly 1 unit for disabled 1 unit, visitable
Rural:	100%

FHLBank Member:	Horizon Bank
Name of Project:	Marysville Senior Housing
Project Location:	Marysville, KS
Non-profit Sponsor:	Marshall County Community Resources and Education
Amount of Subsidy:	\$320,000
Number of Units:	24
Total Development Costs:	\$4,162,824
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	12 units @ 50%AMI 12 units @ 60%AMI
Special Needs:	24 units for elderly 2 units, visitable
Rural:	100%



FHLBank Member:	Horizon Bank
Name of Project:	Open Door Mission Permanent Supportive Housing
Project Location:	Omaha, NE
Non-profit Sponsor:	Help the Homeless, Inc.
Amount of Subsidy:	\$350,000
Number of Units:	41
Total Development Costs:	\$8,447,644.
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	29 units @ 50%AMI 10 units @ 60%AMI
Special Needs:	20 units for disabled 20 units for those recovering from substance abuse 41 units, visitable
Rural:	N/A

FHLBank Member:	American National Bank
Name of Project:	Mosaic Housing Corporation XVII - Beatrice
Project Location:	Scattered site - Nebraska
Non-profit Sponsor:	Mosaic
Amount of Subsidy:	\$90,000
Number of Units:	18
Total Development Costs:	\$1,528,405
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	18 units @ 50%AMI
Special Needs:	18 units disabled
Rural:	100%

FHLBank Member:	American National Bank
Name of Project:	Mosaic Housing Corporation XIX - Winfield
Project Location:	Winfield, KS
Non-profit Sponsor:	Mosaic
Amount of Subsidy:	\$60,000
Number of Units:	12
Total Development Costs:	\$1,357,504
Type of Project:	New construction
Owner or Rental:	Rental
Income Level Targeted:	12 units @ 50%AMI
Special Needs:	12 units disabled
Rural:	100%

### Oklahoma

FHLBank Member:	BancFirst
Name of Project:	Central Oklahoma Habitat for Humanity 2009
Project Location:	Scattered site – Oklahoma
Non-profit Sponsor:	Central Oklahoma Habitat for Humanity
Amount of Subsidy:	\$220,500
Number of Units:	45
Total Development Costs:	\$3,784,775
Type of Project:	New construction
Owner or Rental:	Owner
Income Level Targeted:	39 units @ 60%AMI 6 units @ 70%AMI
Special Needs:	45 units, visitable
Rural:	N/A

FHLBank Member:	Bank of Oklahoma
Name of Project:	Big Five Ardmore
Project Location:	Ardmore, OK
Non-profit Sponsor:	Big Five Community Services
Amount of Subsidy:	\$230,000
Number of Units:	46
Total Development Costs:	\$4,515,668
Type of Project:	Rehab
Owner or Rental:	Rental
Income Level Targeted:	46 units @ 50%AMI
Special Needs:	3 units homeless 3 units disabled
Rural:	100%

FHLBank Member:	BancFirst
Name of Project:	REI Statewide Homeownership Program
Project Location:	Scattered site – Oklahoma
Non-profit Sponsor:	Rural Enterprises of Oklahoma, Inc.
Amount of Subsidy:	\$330,000
Number of Units:	100
Total Development Costs:	\$11,135,000
Type of Project:	Rehab
Owner or Rental:	Owner
Income Level Targeted:	85 units @ 60%AMI 10 units @ 70%AMI 5 units @ 80%AMI
Special Needs:	N/A
Rural:	80%

## **Appendix C**

### **Historical AHP Data**

**Table II - Affordable Housing Program 1990 - 1999 Applications Received**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Subsidy Requested (millions)	\$14.7	\$8.7	\$7.9	\$5.2	\$10.1	\$9.7	\$9.2	\$7.4	\$12.4	\$15.9
Applications Submitted:										
Colorado	11	23	21	14	31	28	36	23	31	23
Kansas	8	7	15	7	18	17	15	22	32	24
Nebraska	14	12	7	7	15	11	14	16	17	21
Oklahoma	2	5	9	8	6	19	5	5	12	22
Out of District										
Total	35	47	52	36	70	75	70	66	92	90
Housing Units Requested:										
Owner Occupied	1,481	1,112	1,828	1,146	1,483	722	1,828	1,470	1,617	1,893
Renter Occupied	535	2,180	940	961	2,323	2,178	1,438	1,342	2,796	2,548
Total Units	2,016	3,292	2,768	2,107	3,806	2,900	3,266	2,812	4,413	4,441
Subsidy Per Unit	\$7,292	\$2,643	\$2,854	\$2,468	\$2,654	\$3,345	\$2,817	\$2,632	\$2,810	\$3,580
Project Costs:										
Non-AHP (millions)	\$61.0	\$75.3	\$78.6	\$74.1	\$164.9	\$170.5	\$190.9	\$140.5	\$278.0	\$252.6
Total Cost (millions)	\$75.7	\$83.9	\$86.5	\$79.3	\$174.9	\$180.0	\$200.1	\$147.8	\$290.4	\$268.6
Total Costs Per Unit	\$37,550	\$25,486	\$31,250	\$37,636	\$45,954	\$62,069	\$61,268	\$52,560	\$65,806	\$60,482
Leverage (Non-AHP/AHP)	\$4.15	\$8.66	\$9.95	\$14.25	\$16.33	\$17.58	\$20.75	\$18.99	\$22.42	\$15.89

**Table II - Affordable Housing Program 2000 - 2009 Applications Received**

	2000 Total	2001 Total	2002 Total	2003 Total	2004 Total	2005 Total	2006 Total	2007 Total	2008 Total	2009 Total	1990 - 2009
Subsidy Requested (millions)	\$23.6	\$13.5	\$19.6	\$14.0	\$14.8	\$22.0	\$25.1	\$25.1	\$33.6	\$15.3	\$307.8
Applications Submitted:											
Colorado	46	27	29	20	18	40	21	20	19	17	498
Kansas	42	27	29	29	31	32	34	35	52	28	504
Nebraska	18	15	30	23	9	10	17	23	31	12	322
Oklahoma	32	12	15	17	17	20	21	32	26	7	292
Out of District			2	2	1	2	10	1	5	4	27
Total	138	81	105	91	76	104	103	111	133	68	1,643
											1,643
Housing Units Requested:											
Owner Occupied	2,143	1,097	1,450	1,117	1,369	1,458	1,366	1,278	727	825	27,410
Renter Occupied	4,011	2,309	3,759	3,275	2,466	3,688	3,474	3,837	4,125	2,493	50,678
Total Units	6,154	3,406	5,209	4,392	3,835	5,146	4,840	5,115	4,852	3,318	78,088
											78,088
Subsidy Per Unit	\$3,835	\$3,964	\$3,763	\$3,188	\$3,859	\$4,275	\$5,186	\$4,907	\$6,925	\$4,611	\$3,942
Project Costs:											
Non-AHP (millions)	\$367.5	\$260.6	\$456.9	\$356.4	\$289.0	\$440.8	\$411.0	\$583.9	\$520.4	\$362.9	\$5,172.9
Total Cost (millions)	\$391.1	\$274.1	\$476.6	\$370.5	\$303.8	\$451.2	\$436.1	\$613.2	\$554.0	\$378.2	\$5,836.0
Total Costs Per Unit	\$63,552	\$80,476	\$91,495	\$84,358	\$79,218	\$87,680	\$90,103	\$119,883	\$114,180	\$113,984	\$74,736
Leverage (Non-AHP/AHP)	\$15.57	\$19.30	\$23.31	\$25.46	\$19.53	\$20.04	\$16.37	\$23.26	\$15.49	\$23.72	\$16.81

**Table IV - Affordable Housing Program 1990 - 1999 Approved Projects**

	1990 Total	1991 Total	1992 Total	1993 Total	1994 Total	1995 Total	1996 Total	1997 Total	1998 Total	1999 Total
AHP Subsidy Approved	\$4.91	\$3.93	\$2.90	\$2.09	\$2.78	\$4.43	\$4.20	\$5.20	\$6.52	\$8.38
RFHP								\$0.10	\$0.18	\$0.17
	\$4.91	\$3.93	\$2.90	\$2.09	\$2.78	\$4.43	\$4.20	\$5.30	\$6.70	\$8.55
Applications Recommended:										
Colorado	7	17	11	4	10	19	22	21	24	12
Kansas	4	4	9	5	4	11	6	14	15	13
Nebraska	7	4	3	4	3	7	5	13	12	15
Oklahoma	1	3	3	3	2	6	4	4	7	11
Iowa										
Total	19	28	26	16	19	43	37	52	58	51
Housing Units Approved:										
Owner Occupied	385	400	633	415	572	461	651	959	766	784
RFHP Owner Units								59	71	58
Renter Occupied	275	2,008	315	285	547	1,057	868	1,101	1,444	1,467
Total Units	660	2,408	948	700	1,119	1,518	1,519	2,119	2,281	2,309
AHP Subsidy Per Unit	\$7,439	\$1,632	\$3,059	\$2,986	\$2,484	\$2,918	\$2,765	\$2,524	\$2,950	\$3,723
Competitive Only										
Project Costs:										
Non-AHP (millions)	\$26.40	\$50.99	\$32.99	\$22.50	\$46.00	\$85.30	\$100.30	\$113.90	\$146.30	\$126.50
AHP Total Cost (millions)	\$30.92	\$54.91	\$35.89	\$24.59	\$48.78	\$89.70	\$104.50	\$119.10	\$152.90	\$134.90
AHP Total Costs Per Unit	\$46,848	\$22,803	\$37,859	\$35,129	\$43,592	\$59,091	\$68,795	\$57,816	\$69,186	\$59,929
Competitive										
Leverage (Non-AHP/AHP)	\$5.84	\$13.01	\$11.38	\$10.77	\$16.55	\$19.39	\$23.88	\$21.90	\$22.17	\$15.06

**Table IV - Affordable Housing Program 2000 - 2009 Approved Projects**

	2000 Total	2001 Total	2002 Total	2003 Total	2004 Total	2005 Total	2006 Total	2007 Total	2008 Total	2009 Total	1990 - 2009 Total
AHP Subsidy Approved	\$9.10	\$9.87	\$8.52	\$7.01	\$9.47	\$8.50	\$13.62	\$14.21	\$16.17	\$4.72	\$146.53
RFHP	\$0.89	\$1.39	\$1.75	\$1.36	\$2.05	\$1.78	\$2.76	\$4.08	\$4.00	\$1.60	\$22.11
	\$9.99	\$11.26	\$10.27	\$8.37	\$11.52	\$10.28	\$16.38	\$18.29	\$20.17	\$1.70	\$164.02
											\$168.64
Applications Recommended:											
Colorado	21	24	18	11	9	12	14	13	9	5	283
Kansas	13	15	8	12	19	12	23	17	25	10	239
Nebraska	7	9	7	8	6	4	8	10	12	4	148
Oklahoma	9	10	8	14	14	8	12	17	17	3	156
Iowa				1	1	1	4	0	3	0	10
Total	50	58	41	46	49	37	61	57	66	22	836
											836
Housing Units Approved:											
Owner Occupied	640	873	412	677	1,188	859	1,052	523	465	923	13,638
RFHP Owner Units	199	300	458	357	571	474	720	744	1040	428	5,479
Renter Occupied	1,794	1,588	1,867	1,494	1,326	937	1,452	1,953	2,201	618	24,597
Total Units	2,633	2,761	2,737	2,528	3,085	2,270	3,224	3,220	3,706	1,969	43,714
											43,714
AHP Subsidy Per Unit Competitive Only	\$3,739	\$4,011	\$3,738	\$3,229	\$3,767	\$4,733	\$5,439	\$5,739	\$6,065	\$3,063	\$3,832
Project Costs:											
	\$9.10	\$9.87	\$8.80	\$7.01	\$9.50	\$8.50	\$13.70	\$13.62	\$16.17	\$4.72	\$146.00
Non-AHP (millions)	\$145.60	\$99.23	\$221.10	\$184.04	\$195.00	\$160.30	\$222.30	\$217.38	\$267.83	\$117.58	\$2,581.54
AHP Total Cost (millions)	\$154.70	\$109.10	\$229.90	\$191.05	\$204.50	\$168.80	\$236.00	\$231.00	\$284.00	\$122.30	\$2,727.54
AHP Total Costs Per Unit Competitive	\$63,558	\$44,332	\$100,878	\$88,001	\$81,344	\$93,987	\$94,249	\$93,296	\$106,527	\$79,364	\$71,336
Leverage (Non-AHP/AHP)	\$16.00	\$10.05	\$25.13	\$26.25	\$20.53	\$18.86	\$16.23	\$15.96	\$16.56	\$24.91	\$17.68



**Appendix D**

**2009 JOBS**

**Approved Projects**

## 2009 JOBS Applications Recommended for Approval

JOBS					Project	JOBS
Number	Member Name	Member City, State	Project Name	Project City	State	Requested
031	First National Bank of Hutchinson	Hutchinson	Facade Improvement Demonstration Project	Hutchinson	KS	\$25,000
029	The Bank of Madison	Madison	Faith Regional Health Services Patient Bed expansion project	Norfolk	NE	\$25,000
036	Mutual of Omaha Bank	Omaha	Habitat for Humanity of Omaha - Skills Development Program	Omaha	NE	\$25,000
056	Citizens Security Bank	Okmulgee	Okmulgee Area Development Corporation	Okmulgee	OK	\$25,000
034	Centris Federal Credit Union	Omaha	Habitat for Humanity of Omaha ReStore / Job Training Program	Omaha	NE	\$25,000
073	FirstBank	Antlers	Economic Development Initiative for Pushmataha County	Hugo	OK	\$25,000
067	Bank of The Valley	David City	Henningsen Foods, Inc.	Omaha	NE	\$25,000
001	Farmers Bank and Trust, N.A.	Great Bend	Sunflower Diversified Services, Inc.	Great Bend	KS	\$25,000
071	First State Bank	Norton	Norton County Business and Visitor Center	Norton	KS	\$25,000
076	First National Bank of Oklahoma	Tonkawa	Holiday Lighting Specialists Access Road	Tonkawa	OK	\$25,000
070	Peoples-Webster County Bank	Red Cloud	City of Red Cloud Assisted Living Facility	Red Cloud	NE	\$25,000
030	Farmers and Merchants Bank	Milligan	Hardwood Artisan, L.L.C.	Friend	NE	\$25,000
081	Pine River Valley Bank	Bayfield	Ignacio Downtown Revitalization Fund	Ignacio	CO	\$25,000
028	American Heritage Bank	Sapulpa	Sapulpa Area Chamber Foundation	Sapulpa	OK	\$25,000
032	Vectra Bank Colorado, N.A.	Denver	Region 9 Economic Development District of Southwest Colorado	Durango	CO	\$25,000
078	Pinnacle Bank, NA	Lexington	Career Services, Inc.	Cozad	NE	\$25,000
064	FirstBank of Cherry Creek	Denver	Seedco Financial Services, Inc.	Denver	CO	\$25,000
020	United Bank & Trust	Marysville	Holthaus Enterprises LLC	Seneca	KS	\$25,000
035	First National Bank in Ord	Ord	Valley County Business Corridor Micro-Loan Pool	Ord	NE	\$25,000
045	1st Bank & Trust	Broken Bow	Broken Bow Land Revitalization Project	Broken Bow	OK	\$25,000
074	First Commerce Bank	Marysville	Care Center of the Good Shepherd, Inc.	Summerfield	KS	\$25,000
054	Wilson State Bank	Wilson	City of Wilson Business Development Fund	Wilson	KS	\$25,000
042	The State Bank of Kansas	Fredonia	Fredonia Fast Forward	Fredonia	KS	\$25,000
057	Thayer County Bank	Hebron	Invest Nebraska Corporation	Lincoln	NE	\$25,000
061	Mid America Bank	Baldwin City	Vaughncraft Percussion, Inc.	Baldwin City	KS	\$25,000
077	Scribner Bank	Scribner	Scribner Industrial & Improvement Corp./Scribner Childcare Facility Initiative	Scribner	NE	\$25,000
050	The Citizens State Bank	Moundridge	Moundridge Valley Hope	Halstead	KS	\$25,000
037	First National Bank	Schuyler	Facade Improvement Fund (FIFund) - Schuyler Nebraska	Schuyler	NE	\$25,000
040	Midwest Bank	Deshler	Thayer County Youth Entrepreneurship	Hebron	NE	\$25,000
002	Guaranty State Bank & Trust Co.	Beloit	City of Jamestown Business Development Fund	Jamestown	KS	\$25,000
003	Peoples Exchange Bank	Belleville	City of Concordia Business Development Fund	Concordia	KS	\$25,000
046	Midwest Community Bank	Beverly	City of Beverly Business Development Fund	Beverly	KS	\$25,000
048	Swedish-American State Bank	Courtland	City of Courtland Business Development Fund	Courtland	KS	\$25,000
075	Fullerton National Bank	Fullerton	Fullerton Area Senior Center, Inc.	Fullerton	NE	\$25,000
024	The Citizens National Bank	Concordia	NCK SBDC Outreach Center	Concordia	KS	\$25,000
004	Thunder Bank	Sylvan Grove	City of Sylvan Grove Business Development Fund	Sylvan Grove	KS	\$25,000
059	Girard National Bank	Girard	Homestead Community Development - Business Development Program	Holton	KS	\$25,000
052	Henderson State Bank	Henderson	Henderson Chamber of Commerce / City of Henderson	Henderson	NE	\$25,000
049	Baileyville State Bank	Seneca	The Willows Restaurant and Bar, Inc.	Seneca	KS	\$25,000
043	Capitol Federal Savings	Topeka	Housing and Credit Counseling, Inc.	Topeka	KS	\$25,000
						\$1,000,000

**Appendix E**

**2009 CICA Advance Programs**

**Applications Approved**

## Community Investment Program

CIP Advance Number	Approval Date	Docket	Member Name	City	State	Project City	Project State	Advance Amount	Total Units	Cost Per Unit	Previously Originated Loans	CIP Link	AHP Link
09-001	01/02/2009	16688	Cozad State Bank & Trust Co.	Cozad	NE	Cozad	NE	600.00	0.00	0.00	No		
09-002	01/05/2009	15839	Peoples Exchange Bank	Belleville	KS	Clyde	KS	36.00	0.00	0.00	No		
09-003	01/05/2009	14862	Girard National Bank	Girard	KS	Oskaloosa	KS	133.00	0.00	0.00	No		
09-004	01/08/2009	14862	Girard National Bank	Girard	KS	Everest	KS	58.00	0.00	0.00	No		
09-005	01/08/2009	14862	Girard National Bank	Girard	KS	Everest	KS	57.00	0.00	0.00	No		
09-006	01/12/2009	15839	Peoples Exchange Bank	Belleville	KS	Belleville	KS	43.00	0.00	0.00	No		
09-007	01/12/2009	9656	Bank of Oklahoma, NA	Tulsa	OK	Enid	OK	808.60	28.00	28.88	No		
09-008	01/14/2009	52022	First National Bank of Muskogee	Muskogee	OK	Muskogee	OK	334.50	0.00	0.00	No		
09-009	01/14/2009	9767	Alva State Bank & Trust Company	Alva	OK	Byron	OK	100.00	0.00	0.00	No		
09-010	01/15/2009	15282	Adams County Bank	Kenesaw	NE	Clay Center	NE	150.00	0.00	0.00	No		
09-011	01/15/2009	13539	Bennington State Bank	Salina	KS	Salina	KS	2,000.00	0.00	0.00	No		
09-012	01/20/2009	16670	First National Bank of Friend	Friend	NE	Friend	NE	3,825.00	0.00	0.00	No		
09-013	01/21/2009	13515	Community National Bank	Seneca	KS	Seneca	KS	2,000.00	0.00	0.00	No		
09-014	01/23/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	250.00	0.00	0.00	No		
09-015	01/27/2009	53614	Commercial National Bank	Ainsworth	NE	Rose	NE	171.50	0.00	0.00	No		
09-016	01/28/2009	15282	Adams County Bank	Kenesaw	NE	Gibbon	NE	280.00	0.00	0.00	No		
09-017	01/28/2009	15839	Peoples Exchange Bank	Belleville	KS	Aurora	KS	30.00	0.00	0.00	No		
09-018	01/29/2009	10880	Kaw Valley State Bank & Trust Co.	Wamego	KS	Wamego	KS	100.00	0.00	0.00	No		
09-019	02/02/2009	2853	Del Norte Federal Bank	Del Norte	CO	Del Norte	CO	477.97	0.00	0.00	No	2007169	
09-020	02/02/2009	12217	The Citizens State Bank	Gridley	KS	Gridley	KS	3,000.00	0.00	0.00	No		
09-021	02/02/2009	52489	First State Bank	Randolph	NE	Randolph	NE	500.00	0.00	0.00	No		
09-022	02/04/2009	15132	First National Bank & Trust	Phillipsburg	KS	Phillipsburg	KS	365.00	0.00	0.00	No		

09-023	02/04/2009	17128	Alliance Bank	Topeka	KS	Topeka	KS	60.00	0.00	0.00	No		
09-024	02/05/2009	52808	American Exchange Bank	Elmwood	NE	Elmwood	NE	300.00	0.00	0.00	No		
09-025	02/10/2009	15839	Peoples Exchange Bank	Belleville	KS	Cuba	KS	120.00	0.00	0.00	No		
09-026	02/11/2009	17397	Union State Bank	Clay Center	KS	Clay Center	KS	2,000.00	0.00	0.00	No		
09-027	02/11/2009	14677	South Central State Bank	Campbell	NE	Campbell	NE	600.00	0.00	0.00	No		
09-028	02/11/2009	16810	First State Bank	Loomis	NE	Alma	NE	180.00	0.00	0.00	No		
09-029	02/12/2009	15839	Peoples Exchange Bank	Belleville	KS	Manhattan	KS	5,500.00	120.00	45.83	No		
09-030	02/13/2009	14862	Girard National Bank	Girard	KS	Topeka	KS	2,450.00	0.00	0.00	No		
09-031	02/17/2009	15175	First National Bank in Wellington	Wellington	KS	Wellington	KS	200.00	0.00	0.00	No		
09-032	02/18/2009	53354	Valliance Bank	Oklahoma City	OK	Oklahoma City	OK	2,800.00	0.00	0.00	No		
09-033	02/19/2009	11113	FirstBank of Tech Center	Greenwood Villa	CO	Westminster	CO	326.00	232.00	1.41	No		
09-034	02/19/2009	13340	Farmers State Bank of Oakley	Oakley	KS	Oakley	KS	1,100.00	0.00	0.00	No		
09-035	02/23/2009	15175	First National Bank in Wellington	Wellington	KS	Milan	KS	175.00	0.00	0.00	No		
09-036	02/25/2009	15839	Peoples Exchange Bank	Belleville	KS	Aurora	KS	55.00	0.00	0.00	No		
09-037	02/27/2009	13630	First National Bank Northeast	Lyons	NE	Tekamah	NE	1,900.00	0.00	0.00	No		
09-038	02/27/2009	15839	Peoples Exchange Bank	Belleville	KS	Beloit	KS	50.00	0.00	0.00	No		
09-039	03/03/2009	15723	Butte State Bank	Butte	NE	Butte	NE	150.00	0.00	0.00	Yes		
09-040	03/03/2009	13135	The Stockton National Bank	Stockton	KS	Glade	KS	41.80	0.00	0.00	No		
09-041	03/03/2009	16688	Cozad State Bank & Trust Co.	Cozad	NE	Cozad	NE	250.00	0.00	0.00	Yes		
09-042	03/10/2009	14596	Bruning State Bank	Bruning	NE	Broken Bow	NE	675.00	0.00	0.00	Yes		
09-043	03/10/2009	14596	Bruning State Bank	Bruning	NE	Broken Bow	NE	520.00	0.00	0.00	Yes		
09-044	03/11/2009	17130	First National Bank of Chadron	Chadron	NE	Chadron	NE	63.21	0.00	0.00	No		
09-045	03/12/2009	53216	Countryside Bank	Unadilla	NE	Unadilla	NE	1,000.00	0.00	0.00	No		
09-046	03/12/2009	10880	Kaw Valley State Bank & Trust Co.	Wamego	KS	St Marys	KS	70.00	0.00	0.00	No		
09-047	03/12/2009	16688	Cozad State Bank & Trust Co.	Cozad	NE	Omaha	NE	205.00	0.00	0.00	No		
09-048	03/16/2009	12217	The Citizens State Bank	Gridley	KS	Gridley	KS	3,100.00	0.00	0.00	No		
09-049	03/16/2009	14396	Farmers and Merchants Bank	Milligan	NE	Milligan	NE	245.00	0.00	0.00	Yes		

09-050	03/16/2009	14396	Farmers and Merchants Bank	Milligan	NE	Friend	NE	250.00	0.00	0.00	Yes		
09-051	03/17/2009	12966	Farmers & Merchants National Bank	Ashland	NE	Ashland	NE	3,937.00	28.00	140.61	No		
09-052	03/18/2009	10157	Farmers Bank & Trust, NA	Great Bend	KS	Great Bend	KS	2,384.00	77.00	30.96	No		
09-053	03/18/2009	52163	Cornerstone Bank	Overland Park	KS	Overland Park	KS	7,103.00	41.00	173.24	No		
09-054	03/19/2009	4492	Mutual Savings Association, FSA	Leavenworth	KS	Leavenworth	KS	6,043.00	70.00	86.33	No		
09-055	03/20/2009	4846	Citizens S&LA, FSB	Leavenworth	KS	Leavenworth	KS	18,432.00	138.00	133.57	No		
09-056	03/23/2009	15608	Armstrong Bank	Muskogee	OK	Muskogee	OK	10,981.00	229.00	47.95	No		
09-057	03/24/2009	53549	Citizens Bank	Loup City	NE	Loup City	NE	200.00	0.00	0.00	No		
09-058	03/24/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	83.00	0.00	0.00	No		
09-059	03/24/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	79.00	0.00	0.00	No		
09-060	03/25/2009	15083	F&M Bank, National Association	West Point	NE	West Point	NE	360.00	0.00	0.00	Yes		
09-061	03/25/2009	15637	Stockgrowers State Bank	Maple Hill	KS	Maple Hill	KS	2,090.00	34.00	61.47	No		
09-062	03/26/2009	17155	Farmers & Merchants State Bank	Bloomfield	NE	Crofton	NE	225.00	0.00	0.00	No		
09-063	03/31/2009	17698	The Lawrence Bank	Lawrence	KS	Lawrence	KS	1,505.00	10.00	150.50	No		
09-064	03/31/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	96.00	0.00	0.00	No		
09-065	04/01/2009	15399	Peoples Bank	Lawrence	KS	Lawrence	KS	64,755.00	539.00	120.14	No		
09-066	04/01/2009	9440	Horizon Bank	Waverly	NE	Omaha	NE	750.00	27.00	27.78	No		
09-067	04/03/2009	10001	Coppermark Bank	Oklahoma City	OK	Oklahoma City	OK	6,617.00	79.00	83.76	No		
09-068	04/06/2009	9440	Horizon Bank	Waverly	NE	York	NE	150.00	20.00	7.50	No		08B1003
09-069	04/06/2009	9440	Horizon Bank	Waverly	NE	Grand Island	NE	285.00	26.00	10.96	No		08B1004
09-070	04/08/2009	17695	Heartland Community Bank	Bennet	NE	Douglas	NE	160.00	0.00	0.00	No		
09-071	04/08/2009	17836	American State Bank & Trust Co,	Great Bend	KS	Great Bend	KS	60.00	0.00	0.00	No		
09-072	04/09/2009	15839	Peoples Exchange Bank	Belleville	KS	Belleville	KS	98.00	0.00	0.00	No		
09-073	04/10/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	277.00	0.00	0.00	No		
09-074	04/10/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	195.00	0.00	0.00	No		
09-075	04/14/2009	17094	Tulsa Teachers Credit Union	Tulsa	OK	Tulsa	OK	11,330.00	134.00	84.55	No		
09-076	04/16/2009	52319	SAC Federal Credit Union	Omaha	NE	Omaha	NE	12,092.00	185.00	65.36	No		
09-077	04/17/2009	17595	Allegiance Credit	Oklahoma City	OK	Oklahoma City	OK	7,258.00	110.00	65.98	No		

			Union										
09-078	04/21/2009	13515	Community National Bank	Seneca	KS	Seneca	KS	7,246.00	87.00	83.29	No		
09-079	04/21/2009	53549	Citizens Bank	Loup City	NE	Loup City	NE	250.00	0.00	0.00	No		
09-080	04/21/2009	13277	First State Bank	Norton	KS	Hoxie	KS	2,000.00	0.00	0.00	No		
09-081	04/21/2009	14596	Bruning State Bank	Bruning	NE	Anselmo	NE	800.00	0.00	0.00	Yes		
09-082	04/21/2009	14596	Bruning State Bank	Bruning	NE	Carleton	NE	1,221.00	0.00	0.00	No		
09-083	04/22/2009	53500	The Farmers Bank	Osborne	KS	Athol	KS	275.20	0.00	0.00	No		
09-084	04/23/2009	17184	Exchange State Bank	St. Paul	KS	Walnut	KS	82.50	0.00	0.00	No		
09-085	04/24/2009	15839	Peoples Exchange Bank	Belleville	KS	Beloit	KS	280.00	0.00	0.00	No		
09-086	04/24/2009	15839	Peoples Exchange Bank	Belleville	KS	Beloit	KS	130.00	0.00	0.00	No		
09-087	04/27/2009	9670	First Option Bank	Osawatomie	KS	Paola	KS	5,529.00	73.00	75.74	No		
09-088	04/27/2009	1735	Argentine Federal Savings	Kansas City	KS	Kansas City	KS	1,563.00	17.00	91.94	No		
09-089	04/29/2009	14862	Girard National Bank	Girard	KS	Greensburg	KS	98.00	1.00	98.00	No		
09-090	04/30/2009	14839	The Bank of Kremlin	Kremlin	OK	Ringwood	OK	200.00	0.00	0.00	No		
09-091	05/01/2009	10134	American National Bank	Omaha	NE	Omaha	NE	269.00	12.00	22.42	No		
09-092	05/05/2009	15839	Peoples Exchange Bank	Belleville	KS	Tipton	KS	450.00	0.00	0.00	No		
09-093	05/05/2009	52489	First State Bank	Randolph	NE	Randolph	NE	140.00	1.00	140.00	No		
09-094	05/12/2009	14862	Girard National Bank	Girard	KS	McCune	KS	680.00	0.00	0.00	No		
09-095	05/14/2009	14839	The Bank of Kremlin	Kremlin	OK	Garber	OK	200.00	0.00	0.00	No		
09-096	05/18/2009	12004	Denison State Bank	Holton	KS	Holton	KS	3,000.00	0.00	0.00	No		
09-097	05/18/2009	52489	First State Bank	Randolph	NE	Randolph	NE	170.00	0.00	0.00	No		
09-098	05/18/2009	15839	Peoples Exchange Bank	Belleville	KS	Randall	KS	286.00	0.00	0.00	No		
09-099	05/18/2009	15839	Peoples Exchange Bank	Belleville	KS	Randall	KS	750.00	0.00	0.00	No		
09-100	05/20/2009	52489	First State Bank	Randolph	NE	Hartington	NE	400.00	0.00	0.00	No		
09-101	05/21/2009	10462	Central Bank and Trust Co.	Hutchinson	KS	Hutchinson	KS	1,000.00	0.00	0.00	No		
09-102	05/21/2009	52465	First National Bank, Sallisaw	Sallisaw	OK	Forth Smith AR	OK	850.00	0.00	0.00	No		
09-103	05/26/2009	14596	Bruning State Bank	Bruning	NE	Broken Bow	NE	1,000.00	0.00	0.00	Yes		
09-104	05/26/2009	15433	AmeriState Bank	Atoka	OK	Sherman, TX	OK	800.00	0.00	0.00	No		
09-105	05/27/2009	16810	First State Bank	Loomis	NE	Funk	NE	310.00	0.00	0.00	No		

09-106	05/28/2009	15839	Peoples Exchange Bank	Belleville	KS	Mankato	KS	480.00	0.00	0.00	Yes		
09-107	05/28/2009	15839	Peoples Exchange Bank	Belleville	KS	Mankato	KS	179.00	0.00	0.00	Yes		
09-108	06/01/2009	12004	Denison State Bank	Holton	KS	Holton	KS	16,160.00	183.00	88.31	No		
09-109	06/02/2009	10071	First National Bank in Cimarron	Cimarron	KS	Cimarron	KS	2,000.00	0.00	0.00	No		
09-110	06/04/2009	15313	First National Bank of Utica	Utica	NE	Utica	NE	820.35	7.00	117.19	Yes		
09-111	06/04/2009	12787	First Neodesha Bank	Neodesha	KS	Neodesha	KS	1,000.00	0.00	0.00	Yes		
09-112	06/05/2009	16706	Equity Bank, NA	Andover	KS	Andover	KS	20,822.00	200.00	104.11	No		
09-113	06/15/2009	14839	The Bank of Kremlin	Kremlin	OK	Nash	OK	300.00	0.00	0.00	No		
09-114	06/16/2009	14862	Girard National Bank	Girard	KS	Clay Center	KS	291.00	0.00	0.00	No		
09-115	06/16/2009	12710	The Union State Bank	Arkansas City	KS	Enid	OK	370.00	0.00	0.00	No		
09-116	06/16/2009	10880	Kaw Valley State Bank & Trust Co.	Wamego	KS	Rossville	KS	132.00	0.00	0.00	No		
09-117	06/17/2009	9798	High Plains Bank	Flagler	CO	Elizabeth	CO	646.00	0.00	0.00	No		
09-118	06/17/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	160.00	0.00	0.00	No		
09-119	06/17/2009	17155	Farmers & Merchants State Bank	Bloomfield	NE	Bloomfield	NE	360.00	0.00	0.00	No		
09-120	06/18/2009	53463	BANK VI	Salina	KS	Salina	KS	4,200.00	0.00	0.00	Yes		
09-121	06/18/2009	15839	Peoples Exchange Bank	Belleville	KS	Scandia	KS	293.00	0.00	0.00	No		
09-122	06/23/2009	14862	Girard National Bank	Girard	KS	Greensburg	KS	32.00	1.00	32.00	No		
09-123	06/23/2009	10134	American National Bank	Omaha	NE	Omaha	NE	78,488.00	702.00	111.81	No		
09-124	06/23/2009	13499	Bank of Commerce	Chelsea	OK	Boonton Township NJ	OK	825.00	0.00	0.00	No		
09-125	06/24/2009	53942	Security Bank & Trust Co.	Miami	OK	Joplin, MO	OK	600.00	24.00	25.00	No		
09-126	06/26/2009	16281	First National Bank and Trust Co.	Chickasha	OK	Chickasha	OK	6,200.00	36.00	172.22	No		
09-127	06/26/2009	9366	Sunflower Bank, NA	Salina	KS	Salina	KS	41,577.00	587.00	70.83	No		
09-128	06/26/2009	9656	Bank of Oklahoma, NA	Tulsa	OK	Oklahoma City	OK	3,600.00	40.00	90.00	No		
09-129	06/26/2009	9656	Bank of Oklahoma, NA	Tulsa	OK	Oklahoma City	OK	1,400.00	40.00	35.00	No		
09-130	06/26/2009	14839	The Bank of Kremlin	Kremlin	OK	Nash	OK	384.00	0.00	0.00	No		
09-131	06/29/2009	15327	RCB Bank	Claremore	OK	Claremore	OK	15,634.00	257.00	60.83	No		
09-132	07/01/2009	15703	First National B&T of Fullerton	Fullerton	NE	Fullerton	NE	1,500.00	0.00	0.00	Yes		
09-133	07/01/2009	14977	Enterprise Bank, NA	Omaha	NE	Omaha	NE	1,500.00	0.00	0.00	No		



09-134	07/02/2009	15839	Peoples Exchange Bank	Belleville	KS	Clyde	KS	60.10	0.00	0.00	No		
09-135	07/06/2009	15132	First National Bank & Trust	Phillipsburg	KS	Phillipsburg	KS	3,000.00	0.00	0.00	Yes		
09-136	07/06/2009	15839	Peoples Exchange Bank	Belleville	KS	Beloit	KS	104.00	0.00	0.00	No		
09-137	07/06/2009	15839	Peoples Exchange Bank	Belleville	KS	Courtland	KS	120.00	0.00	0.00	No		
09-138	07/10/2009	14862	Girard National Bank	Girard	KS	Girard	KS	6,571.00	160.00	41.07	No		
09-139	07/13/2009	15083	F&M Bank, National Association	West Point	NE	West Point	NE	407.50	0.00	0.00	No		
09-140	07/21/2009	15697	Peoples Bank & Trust Company	Ryan	OK	Waurika	OK	350.00	0.00	0.00	No		
09-141	07/24/2009	1427	Osage Federal Bank	Pawhuska	OK	Pawhuska	OK	8,188.00	118.00	69.39	No		
09-142	08/04/2009	14677	South Central State Bank	Campbell	NE	Franklin	NE	120.00	0.00	0.00	No		
09-143	08/04/2009	14677	South Central State Bank	Campbell	NE	Franklin	NE	135.00	0.00	0.00	No		
09-144	08/06/2009	13851	West Gate Bank	Lincoln	NE	Lincoln	NE	800.00	0.00	0.00	No		
09-145	08/06/2009	13135	The Stockton National Bank	Stockton	KS	Stockton	KS	23.00	0.00	0.00	No		
09-146	08/10/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	90.00	0.00	0.00	No		
09-147	08/11/2009	15839	Peoples Exchange Bank	Belleville	KS	Concordia	KS	92.50	0.00	0.00	No		
09-148	08/12/2009	15327	RCB Bank	Claremore	OK	Claremore	OK	2,980.05	100.00	29.80	No		
09-149	08/13/2009	10296	Morrill & Janes Bank & Trust	Merriam	KS	Merriam	KS	8,614.00	143.00	60.24	No		
09-150	08/13/2009	15839	Peoples Exchange Bank	Belleville	KS	Belleville	KS	350.00	0.00	0.00	No		
09-151	08/19/2009	53307	Security State Bank	Ansley	NE	Overton	NE	170.00	0.00	0.00	No		
09-152	08/19/2009	10880	Kaw Valley State Bank & Trust Co.	Wamego	KS	Wamego	KS	65.00	0.00	0.00	No		
09-153	08/20/2009	14677	South Central State Bank	Campbell	NE	Oxford	NE	300.00	0.00	0.00	No		
09-154	08/21/2009	15313	First Bank of Utica	Utica	NE	Exeter	NE	265.00	0.00	0.00	No		
09-155	08/24/2009	10478	Vectra Bank Colorado, NA	Farmington	NM	Aspen	CO	11,723.00	0.00	0.00	No		
09-156	08/25/2009	15476	First State Bank	Gothenburg	NE	Gothenburg	NE	17,390.00	145.00	119.93	No		
09-157	08/25/2009	15282	Adams County Bank	Kenesaw	NE	Minden	NE	330.00	0.00	0.00	No		
09-158	08/26/2009	6084	Security Savings Bank, FSB	Olathe	KS	various	KS	99,846.00	785.00	127.19	No		
09-159	08/27/2009	11830	Jones National Bank and Trust Co.	Seward	NE	various	NE	4,763.00	73.00	65.25	No		
09-160	08/27/2009	9266	Kirkpatrick Bank	Edmond	OK	Tulsa	OK	950.00	0.00	0.00	No		

09-161	08/31/2009	15839	Peoples Exchange Bank	Belleville	KS	Clifton	KS	80.00	0.00	0.00	No		
09-162	09/01/2009	12709	Hillcrest Bank	Overland Park	KS	Overland Park	KS	7,273.58	0.00	0.00	No		
09-163	09/01/2009	12522	Thayer County Bank	Hebron	NE	Hebron and Superior	NE	5,750.00	0.00	0.00	No		
09-164	09/01/2009	15839	Peoples Exchange Bank	Belleville	KS	Beloit	KS	175.00	0.00	0.00	No		
09-165	09/01/2009	15839	Peoples Exchange Bank	Belleville	KS	Beloit	KS	602.00	0.00	0.00	No		
09-166	09/03/2009	14677	South Central State Bank	Campbell	NE	Juniata	NE	200.00	0.00	0.00	No		
09-167	09/03/2009	14978	First Bank	Sterling	KS	Hays	KS	1,000.00	0.00	0.00	No		
09-168	09/03/2009	15282	Adams County Bank	Kenesaw	NE	Gibbon	NE	156.00	0.00	0.00	No		
09-169	09/08/2009	52465	First National Bank, Sallisaw	Sallisaw	OK	Roland	OK	2,150.00	0.00	0.00	No		
09-170	09/08/2009	13947	The Community State Bank	Poteau	OK	Poteau	OK	2,000.00	32.00	62.50	No		
09-171	09/11/2009	14862	Girard National Bank	Girard	KS	Bucklin	KS	333.60	0.00	0.00	No		
09-172	09/11/2009	15583	The First National Bank of Wamego	Wamego	KS	Wamego	KS	5,000.00	0.00	0.00	No		
09-173	09/18/2009	53614	Commercial National Bank	Ainsworth	NE	Springview	NE	280.00	0.00	0.00	No		
09-174	09/18/2009	9266	Kirkpatrick Bank	Edmond	OK	Oklahoma City	OK	875.43	0.00	0.00	No		
09-175	09/18/2009	52860	Credit Union of America	Wichita	KS	Wichita	KS	17,949.00	242.00	74.17	No		
09-176	09/18/2009	9403	The First State Bank	Keyes	OK	Alva	OK	200.00	0.00	0.00	Yes		
09-177	09/21/2009	3451	Morgan Federal Bank	Fort Morgan	CO	Fort Morgan	CO	5,439.28	50.00	108.79	No		
09-178	09/23/2009	15282	Adams County Bank	Kenesaw	NE	Kenesaw	NE	393.00	0.00	0.00	No		
09-179	09/25/2009	13851	West Gate Bank	Lincoln	NE	Lincoln	NE	1,880.00	0.00	0.00	No		
09-180	09/25/2009	14977	Enterprise Bank, NA	Omaha	NE	Omaha	NE	635.84	32.00	19.87	No		
09-181	09/25/2009	15866	Pender State Bank	Pender	NE	Pender	NE	8,000.00	0.00	0.00	No		
09-182	09/28/2009	14596	Bruning State Bank	Bruning	NE	Bruning	NE	3,350.00	0.00	0.00	Yes		
09-183	09/28/2009	52489	First State Bank	Randolph	NE	Randolph	NE	325.00	0.00	0.00	No		
09-184	10/01/2009	14862	Girard National Bank	Girard	KS	Ford	KS	245.00	0.00	0.00	No		
09-185	10/02/2009	9994	Frontier State Bank	Oklahoma City	OK	Oklahoma City	OK	3,369.41	0.00	0.00	No		
09-186	10/02/2009	14862	Girard National Bank	Girard	KS	Horton	KS	159.00	0.00	0.00	No		
09-187	10/13/2009	10001	Coppermark Bank	Oklahoma City	OK	Guthrie	OK	994.35	32.00	31.07	No		
09-188	10/15/2009	15794	Citizens National Bank	Wisner	NE	Wayne	NE	2,500.00	0.00	0.00	No		
09-189	10/15/2009	13135	The Stockton National Bank	Stockton	KS	Stockton	KS	33.00	0.00	0.00	No		

09-190	10/16/2009	13135	The Stockton National Bank	Stockton	KS	Natoma	KS	55.00	0.00	0.00	No		
09-191	10/22/2009	10776	Citizens Bank, NA	Fort Scott	KS	Fort Scott	KS	5,519.00	81.00	68.14	No		
09-192	10/22/2009	17555	Bank of Newman Grove	Newman Grove	NE	Newman Grove	NE	3,000.00	0.00	0.00	No		
09-193	10/28/2009	12966	Farmers & Merchants National Bank	Ashland	NE	Ashland	NE	1,000.00	0.00	0.00	No		
09-194	11/02/2009	14596	Bruning State Bank	Bruning	NE	Kearney	NE	753.00	34.00	22.15	Yes		
09-195	11/05/2009	14026	The Peabody State Bank	Peabody	KS	Peabody	KS	400.00	10.00	40.00	No		
09-196	11/12/2009	52048	First National Bank of Hope	Hope	KS	Abilene	KS	94.00	0.00	0.00	No		
09-197	11/19/2009	11433	SpiritBank	Tulsa	OK	Perkins	OK	1,000.00	30.00	33.33	Yes		
09-198	11/20/2009	15380	Chickasha Bank & Trust Co.	Chickasha	OK	Chickasha	OK	3,243.00	60.00	54.05	No		
09-199	11/23/2009	13539	Bennington State Bank	Salina	KS	Miltonvale	KS	2,700.00	0.00	0.00	No		
09-200	11/23/2009	53087	First State Bank	Kiowa	KS	Kiowa	KS	2,000.00	0.00	0.00	Yes		
09-201	11/24/2009	17130	First National Bank of Chadron	Chadron	NE	Harrison	NE	68.12	0.00	0.00	No		
09-202	12/02/2009	13059	Kanza Bank	Kingman	KS	Kingman	KS	8,202.00	110.00	74.56	No		
09-203	12/04/2009	9154	Union Bank of Chandler	Chandler	OK	Oklahoma City	OK	1,000.00	0.00	0.00	No		
09-204	12/04/2009	8521	University National Bank	Lawrence	KS	Lawrence	KS	11,197.00	77.00	145.42	No		
09-205	12/08/2009	53710	RelianzBank	Wichita	KS	Maize	KS	400.00	8.00	50.00	No		
09-206	12/08/2009	52489	First State Bank	Randolph	NE	Randolph	NE	100.00	1.00	100.00	No		
09-207	12/09/2009	9440	Horizon Bank	Waverly	NE	Omaha	NE	1,000.00	82.00	12.20	No		07A1010
09-208	12/09/2009	15702	Midwest Bank, NA	Pierce	NE	Davenport	NE	700.00	0.00	0.00	No		
09-209	12/09/2009	17130	First National Bank of Chadron	Chadron	NE	Crawford	NE	430.00	0.00	0.00	No		
09-210	12/10/2009	53614	Commercial National Bank	Ainsworth	NE	Bassett	NE	257.00	0.00	0.00	No		
09-211	12/11/2009	13135	The Stockton National Bank	Stockton	KS	Stockton	KS	33.00	0.00	0.00	No		
09-212	12/14/2009	14289	BANKWEST OF KANSAS	Goodland	KS	Weskan	KS	443.00	0.00	0.00	No		
09-213	12/14/2009	12709	Hillcrest Bank	Overland Park	KS	Lawrence	KS	139.32	101.00	1.38	No	2008257	
09-214	12/15/2009	52048	First National Bank of Hope	Hope	KS	Herington	KS	52.80	0.00	0.00	No		
09-215	12/18/2009	15327	RCB Bank	Claremore	OK	Sapulpa	OK	10,000.00	0.00	0.00	No		
09-216	12/21/2009	9767	Alva State Bank & Trust Company	Alva	OK	Medicine Lodge	KS	937.50	0.00	0.00	No		
09-217	12/22/2009	52489	First State Bank	Randolph	NE	Randolph	NE	250.00	0.00	0.00	No		

09-218	12/22/2009	52489	First State Bank	Randolph	NE	Randolph	NE	250.00	0.00	0.00	No		
09-219	12/31/2009	2853	Del Norte Federal Bank	Del Norte	CO	Del Norte	CO	610.00	0.00	0.00	No	2009019	
								722,173.01	6901.00	4,195.95			